



Financial Planning Committee Agenda

Date: Wednesday, February 18, 2026
Time: 10:30 am - 12:30 pm
Location: Electronic Zoom Meeting

	Pages
1. CALL TO ORDER	10:30 AM
2. AGENDA	
2.1 Review of the Agenda	
Committee to consider late items, new items and re-ordering of the agenda plus consider any need to create an in camera meeting	
2.2 Approval of Agenda	
3. PUBLIC COMMENT PERIOD	
4. DELEGATIONS	
None.	
5. CORRESPONDENCE	
None.	
6. ADMINISTRATIVE COORDINATION	
6.1 Draft Minutes of Previous Meetings	
6.1.1 Financial Planning Committee Draft Minutes of January 21, 2026	3 - 8
For review and approval	
6.2 Resolutions Without Meeting	
None.	
6.3 Follow up Action List	9 - 9
For review	
7. BUSINESS - WORK PROGRAM ITEMS	

7.1 December 31, 2025 Financial Report - Request For Decision 10 - 20

That Financial Planning Committee forward the December 31, 2025 Financial Report to Trust Council for approval.

7.2 December 31, 2025 Financial Forecast - Briefing 21 - 26

7.3 Ministry Bylaw for Trust Council

7.3.1 Revenue Anticipation Borrowing Bylaw - Trust Council Request For Decision 27 - 29

That Financial Planning Committee forward Bylaw 205 (Islands Trust Council Revenue Anticipation Borrowing Bylaw 2026-2027) to Trust Council for approval

8. BUSINESS - NEW

9. WORK PROGRAM 30 - 32

For review and referral to Trust Council before each quarterly TC meeting

10. NEXT MEETING

Wednesday, May 27, 2026, from 10:45 a.m. to 3:00 p.m. The Annual Audit Committee will be meeting on the same day from 10:00 a.m. to approximately 10:45 a.m.

11. CLOSED MEETING

If desired:

That the meeting be closed to the public in accordance with the Community Charter, Part 4, Division 3, s.90, (quote the pertinent section here, for example, (1)(a) personal information about...) and that the recorder and staff [attend/not attend] the meeting.

12. RISE AND REPORT

If desired.

13. ADJOURNMENT

12:30 PM

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



Financial Planning Committee Minutes of a Regular Meeting

Date of Meeting: January 21, 2026
Location: Electronic Meeting

Members Present: Sue Ellen Fast, Bowen Island Municipality (Chair)
Mairead Boland, Saturna Island Local Trust Area (Vice Chair) and
Regional Planning Committee Representative
Tobi Elliott, Gabriola Island Local Trust Area, Executive Committee
Judith Gedye, Bowen Island Municipality, Governance Committee
Representative
David Graham, Denman Island Local Trust Area
David Maude, Mayne Island Local Trust Area, Executive Committee
Laura Patrick, Salt Spring Island Local Trust Area, Executive Committee
Tim Peterson, Lasqueti Island Local Trust Area, Executive Committee
and Trust Programs Committee Representative
Susan Yates, Gabriola Island Local Trust Area, Islands Trust Conservancy
Board Representative

Staff Present: Rueben Bronee, Chief Administrative Officer
Julia Mobbs, Director, Financial and Employee Services
Stefan Cermak, Director, Planning Services
David Marlor, Director, Legislative and Information Services
Nancy Roggers, Finance Officer
Robert Barlow, Legislative Services Clerk/Recorder

Others Present: One member of the public was present.

1. CALL TO ORDER

Chair Fast called the meeting to order at 10:01 a.m. and acknowledged that participants in the meeting were on many Coast Salish territories.

2. AGENDA

2.1 Review of the Agenda

The following additions to the agenda were presented for consideration:

- Briefing from Islands Trust Conservancy Board: "Trust Council motion re Islands Trust Conservancy Board proposed 2026/27 budget"- to be included under agenda item 7.1.3.3 in the agenda package, Islands Trust Conservancy Board Projects, and to be discussed as item 7.0.
- Briefing from staff: "Budget Changes Since Last Review" – to be included as agenda item 7.1.1.1, under "Budget Overview Briefing"

2.2 Approval of the Agenda

By general consent the Committee approved the agenda as amended.

3. PUBLIC COMMENT PERIOD

No member of the public was present.

4. DELEGATIONS

4.1 Friends of the Gulf Islands Society – Maxine Leichter

The delegate spoke to the material provided to the Committee, indicating no support for continued increases in the number of staff positions and the budget without demonstrably clear increases in protection of the Trust Area; support for full costing of projects that includes estimates of staff resources required to complete the project; support for a full-time biologist position; and support for a review of the water sustainability project.

5. CORRESPONDENCE

5.1 From Brian Milne, dated 2025-12-19

The Committee reviewed and discussed the above noted letter which requested the Committee to consider reducing funding for Bylaw Compliance and Enforcement work and legal opinions.

FPC-2026-01

It was MOVED and SECONDED,

that Financial Planning Committee request staff to return the correspondence from Brian Milne to the correspondent.

CARRIED

6. ADMINISTRATIVE COORDINATION

6.1 Minutes of Previous Meetings

6.1.1 Financial Planning Committee Minutes of November 12, 2025

By general consent the Committee approved the minutes as presented.

6.2 Resolutions Without Meeting

None.

6.3 Follow up Action List

Received for information.

7. BUSINESS - WORK PROGRAM ITEMS

7.0 Late item: Briefing from Islands Trust Conservancy Board (ITCB)

DRAFT

Director Frater indicated that it is expected that ITCB will continue to discuss this topic. Committee discussion:

- there is a significant increase to the ITCB budget request
- there is an impact to the budget as a result of the completion of the Species At Risk federal grant

FPC-2026-02

It was MOVED and SECONDED,

that Financial Planning Committee receive this correspondence from ITCB.

CARRIED

7.1 2026/27 Budget: Draft 2, Version 1

7.1.0 Changes to the Draft 2026/27 Budget - Briefing

Director Mobbs introduced the late item Briefing highlighting key changes made to the budget since the previous Financial Planning Committee meeting.

7.1.1 Draft 2026/27 Budget Overview – Briefing

Director Mobbs introduced the Briefing, noting that a substantial portion of the draft tax increase is a result of lost revenue streams, expenses for election, base staff wage increases, and inflation.

Committee discussion included:

- a brief summary describing how the budget is impacted by the above factors would be of value for trustees in explaining the budget
- Reconciliation Action Plan expenses
- information process to support Trust Council budget decisions

FPC-2026-03

It was MOVED and SECONDED,

that Financial Planning Committee request staff to provide speaking notes for trustees on the proposed 2026/27 budget explaining budget changes as per the second and third paragraphs of the draft 2026/27 budget overview presented to Financial Planning Committee on January 21, 2026.

CARRIED

Committee discussion continued in regards to how Financial Planning Committee can assist Committee of the Whole budget discussions.

Committee recessed at 11:12 a.m. and resumed at 11:27 a.m.

FPC-2026-04

It was MOVED and SECONDED,

that Financial Planning Committee request staff to prepare a summary of budget requests which represent the +3.1%

DRAFT

(discretionary spending/inflation) for the February 18, 2026 Committee of the Whole meeting.

CARRIED

Committee discussion continued in regards to:

- potential reserve fund specific to supporting elections
- election costs have increased significantly
- there is a lack of policy in regards to reconciliation capacity funding expenses
- a potential overview of legislation, policies, Trust Council direction, and all staff positions involved with reconciliation

FPC-2026-05

It was MOVED and SECONDED, that Financial Planning Committee request Islands Trust Conservancy Board to reconsider the request already asked of them by Trust Council to review their budget, with a view to reducing it, and to look at in particular the part-time Indigenous Relations Advisor.

CARRIED

Committee discussion continued:

- Bowen Island Municipality's contribution to the budget is set by the *Islands Trust Act* and codified in Trust Council Policy 7.2.6 (Municipal Tax Requisition Calculation)

Trustee Boland left the meeting at 12:30 p.m.

Financial Planning Committee recessed at 12:30 and resumed at 1:00 p.m.

FPC-2026-06

It was MOVED and SECONDED, that Financial Planning Committee direct staff to remove the item under the Trust Area Services communication budget for the \$10,000 for contractor support from the draft 2026/27 budget.

DEFEATED

Committee discussion continued:

- possibility of requesting staff to make suggested amendments to the draft 2026/27 budget
- possibility of delaying the start time of new potential staff positions
- the provincial contribution to Islands Trust has remained the same for several years yet the Province has increased responsibilities for Islands Trust to undertake, such as reconciliation actions

The Committee recessed at 2:04 p.m. and resumed at 2:17 p.m.

FPC-2026-07

It was MOVED and SECONDED,

that Financial Planning Committee request staff to prepare options for further budget reductions for consideration at the February Committee of the Whole meeting.

CARRIED

FPC-2026-08

It was MOVED and SECONDED,

that Financial Planning Committee forward the budget materials contained in item 7.1 of the January 21, 2026 agenda, as amended, and other motions passed, to the Committee of the Whole for the upcoming Committee of the Whole meeting as it's recommended 2026/2027 Budget to Trust Council.

CARRIED

7.1.2 2026/27 Budget Guidelines Assessment

No comments.

7.1.3 Funding Requests

No comments.

7.1.4 Operating Budgets Increase Justifications

No comments.

7.1.5 Unfunded Requests

No comments.

8. BUSINESS – NEW

None.

9. NEXT MEETING

Wednesday, February 18, 2026, from 10:30 a.m. until 3:00 p.m.

10. CLOSED MEETING

10.1 Motion to Close the Meeting

FPC-2026-09

It was MOVED and SECONDED,

that Financial Planning Committee close the meeting of January 21, 2026, to the public in accordance with the Community Charter, Part 4, Division 3, s.90,(f)law enforcement, as the Financial Planning Committee considers that disclosure could reasonably be expected to harm the conduct of an investigation under or enforcement of an enactment; and that the recorder and staff attend the meeting.

The Committee closed the meeting at 2:35 p.m.

11. RISE AND REPORT

None.

12. ADJOURNMENT

By general consent the Committee adjourned the meeting at 2:35 p.m.

Sue Ellen Fast, Chair

Certified Correct:

Robert Barlow, Legislative Services Clerk/Recorder

Minutes are not official until adopted at a subsequent meeting.

Follow Up Action Report

Financial Planning Committee

21-Jan-2026

Progress	Activity	Responsibility	Dates	Status
100%	1 Staff to provide speaking notes for trustees on the proposed 2026/27 budget explaining budget changes as per the second and third paragraphs of the draft 2026/27 budget overview presented to Financial Planning Committee on January 21, 2026.	Clare Frater Julia Mobbs	Target: 18-Feb-2026	Completed
75%	2 Staff to prepare a summary of budget requests which represent the +3.1% (discretionary spending/inflation) for the February 18, 2026 Committee of the Whole meeting.	Julia Mobbs	Target: 18-Feb-2026	Completed
100%	3 Staff to prepare options for further budget reductions for consideration at the February Committee of the Whole meeting.	Julia Mobbs	Target: 18-Feb-2026	Completed
100%	4 Financial Planning Committee forward the budget materials contained in item 7.1 of the January 21, 2026 agenda, as amended, and other motions passed, to the Committee of the Whole for the upcoming Committee of the Whole meeting as it's recommended 2026/2027 Budget to Trust Council.	Robert Barlow	Target: 18-Feb-2026	Completed
100%	5 Financial Planning Committee request the Islands Trust Conservancy Board to reconsider the request already asked of them by Trust Council to review their budget, with a view to reducing it, and to look at in particular the part-time Indigenous Relations Advisor.	Wendy Tyrrell	Target: 18-Feb-2026	Completed



REQUEST FOR DECISION

To: Financial Planning Committee

For the Meeting of: February 18, 2026

From: Financial Services

Date Prepared: February 3, 2026

SUBJECT: DECEMBER 31, 2025 FINANCIAL REPORT

RECOMMENDATION:

That Financial Planning Committee forward the December 31, 2025 Financial Report to Trust Council for approval.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

The third quarter financial report indicates that Islands Trust is trending below expected spending for 2025/26 to December 31, 2025. This is primarily due to the impacts of the BCGEU strike, legal cost awards offsetting some legal spending, and underspending resulting from staff vacancies, many of which have recently been filled.

1 PURPOSE:

To summarize the findings of the December 31, 2025 third quarter financial report.

2 BACKGROUND:

Islands Trust *Policy 2.3.1 Council Committee Systems* requires the Financial Planning Committee (FPC) to report to Trust Council on the organization's financial management practices. Quarterly financial reports are prepared by staff, reviewed by FPC, and forwarded to Trust Council as part of this requirement.

Financial Report Findings

The benchmark for non-tax, non-grant revenue sources and operational expenditures after three months of operations can be estimated at 75% of the annual budget. As at December 31, 2025 Islands Trust has consumed a net 67% of the annual approved budget, below the straight-line benchmark for this time of year.

Individual areas may experience minor overspending or underspending based on activities in the year to date. Individual revenue and expense items that vary significantly from the 75% benchmark (where significance is determined as more or less than 10%, and more or less than \$5,000) are discussed in this report.

REVENUES

Total revenue reports at 98% of the annual approved budget, with approximately \$231,000 remaining to collect in order hit revenue targets for the year. Details of individual revenue streams are as follows:

- Fees are higher than benchmark by \$16,000 (8%), due to applications advancing through due process slightly ahead of budgeted averages. The amount of fees revenue received in the first

three quarters of the fiscal year was \$167,000. The portion of fees recognised as revenue correlates with the portion of the application process completed.

- *Provincial Grant - Unrestricted* reports at 100% due to the full value of the unrestricted operating grant received in the second quarter of the year.
- *Federal and Provincial Grants – Restricted* reports at lower than benchmark by \$14,000 (3%). This is due primarily to:
 - Less revenue recognised related to the Species at Risk, and Environment and Climate Change Canada grants due to delays in advancing this work in the first three quarters of the year.
 - Grant revenue recognised related to the Housing Needs Assessments project, where work spilled over into the current year.
- All revenues from taxation (*General Property Tax Levy, Special Property Tax Requisition, and Bowen Tax Levy*) report at 100% of budget due to the full value of all of them being received in the second quarter of the year.
- *Investment Income* reports at 62%, below benchmark by \$28,000 (13%). This is primarily due to lower interest rates on investment compared to projections at the time of budget approval.

EXPENSES BY SERVICE AREA

TRUST COUNCIL (TC) SERVICES

TC Services expenses include costs related to three main areas: Trust Council; Executive Committee; and Trust Area Services; plus, an allocation of general administrative expenses. Inclusive of the general admin allocation, these expenses report at \$1,243,000 (65% of budget) which is lower than the 75% benchmark by \$194,000 (10%). Individual expense lines within Council services that deviate significantly from benchmark are as follows:

- Trust Council spending is \$37,000 (8%) below benchmark due primarily to:
 - No costs have been incurred on the Trustee Remuneration Review project as at the date of the report. This work takes place in the fourth quarter. The budget for this project is \$10,000.
 - No costs have been incurred on the Trust Council Policy Review project as at the date of the report. This work will not advance in the current year due to staff capacity issues. The budget for this project is \$6,000.
 - Trust Council's meeting expenses are lower than benchmark by \$14,000 (11%) due to all three in-person Trust Council meetings that have taken place this fiscal costing less than budgeted.
 - Reconciliation Action Plan costs are lower than benchmark by \$10,000 (21%) as progress towards completing protocol agreements with First Nations groups has been slower than expected.
- Executive Committee spending is \$8,000 (6%) below benchmark due primarily to fewer applications for land use planning applications being received and approved in the year, to date. With applications now being approved by Trust Council, these costs will be reflected in Trust Council's area moving forward. To date, \$1,500 has been approved by Trust Council for this program.
- Trust Area Services spending is \$85,000 (11%) below benchmark due primarily to:
 - Staff salaries and benefits reporting below expected by \$58,000 (9%) due to 9-month vacancy for the Temporary Senior Policy Advisor, a 2-month vacancy for the Grants

Manager, reduced salaries and benefits spending due to the three-week long BCGEU strike, and no costs incurred for excluded staff salary increases, due to likely directives from the province to hold salaries stable.

- Trust Areas Services Legal budget (\$4,000) remains untouched as there has been no need for general legal advice in this area as at the date of the report.
 - Policy Statement Review Project costs are lower than benchmark by \$5,000 (10%) due to less LTC demand for on-Island in-person engagement than anticipated and some advertising savings.
 - Secretariat Services costs are lower than benchmark by \$7,000 (38%) due to:
 - Fewer secretariat service applications being received resulting in the full budget for this program not being required or utilized.
 - The Bayne Sound Lambert Channel Ecosystem Forum not able to use the \$2,500 earmarked to support them, due to vacancies in their director positions impacting capacity.
 - Stewardship Education costs are lower than benchmark by \$1,500 (15%), due to the timing of education sessions, which are scheduled to take place in Q4.
 - Training and conference, travel for training and travel costs are collectively lower than benchmark by \$6,000 (49%) due to reduced time available for non-project travel and training due to workloads, and the BCGEU strike.
- The General Admin Allocation to TC Services reports at 62% of budget, lower than benchmark due to underspending in General Admonition discussed later in this report.

LOCAL TRUST COMMITTEE (LTC) SERVICES

LTC Services expenses include costs related to five main areas: Local Trust Committees (LTCs); planning services projects; planning services staff; facilities; the Salt Spring Island office move/renovation; and bylaw enforcement; as well as an allocation of general administrative expenses.

Inclusive of the general admin allocation, these expenses report at \$5.5M (70% of budget) which is lower than benchmark by \$367,000 (5%). Individual expense lines within LTC services that deviate from benchmark are as follows:

- **Local Trust Committees (LTC) costs** are comprised of rent, phone, internet and office service for on-island trustee offices, the trustee portion of insurance costs, general legal costs, bylaw enforcement legal costs, legal litigation costs, statutory notices, EC travel expenses to chair LTC meetings; trustee-incurred expenses, LTC and APC meeting expenses, LTC communications, special project expenses, LTC statutory notices and the LTC portion of trustee remuneration and benefits.

Total LTC spending to December 31, 2025 is \$864,000 which is \$111,000 (89% of budget), higher than benchmark by \$132,000 (14%), due primarily to the following:

- Legal General costs are lower than benchmark by \$5,000 (5%) due to fewer legal advice requests sought by Local Trust Committees in Q1, Q2 and Q3.
- Bylaw Enforcement legal costs are below benchmark by \$190,000 (118%) due to a court-ordered cost recovery of \$147,000 related to a property clean up on Thetis Island being awarded to Islands Trust. The costs incurred by Islands Trust for the property clean up were incurred last fiscal year, but with that fiscal year closed, these awarded costs are recorded against expenses in the current year.
- Litigation costs are significantly higher than benchmark by \$353,000 (336%) due primarily to significant legal files progressing through the courts. This line also includes \$29,500 in cost recoveries awarded to Islands Trust for files on Galiano Island and Salt Spring Island.

- LTC costs for trustee expenses, executive expenses on LTC, LTC meetings, APC meetings and communications are lower than benchmark by a combined total of \$16,000 (20%) due to the cancelation of some meetings during the BCGEU strike action.
- **Planning Projects** costs are comprised of all LTC and Regional Planning Committee projects, including the regional freshwater management and housing needs assessment, as well as coordination and project work undertaken by the Salt Spring Island Watershed Protection Alliance (SSIWPA).

Planning projects report at \$147,000 (33% of budget), which is less than benchmark by \$189,000 (42%). Straight-line benchmarking can be less appropriate for project work as project plans often see work advancing in uneven portions throughout the years. Underspending on planning projects is due primarily to a combination of the following:

LTC Major and Minor Projects: Spending on LTC major and minor projects reports at \$110,000 (25% of budget). This is primarily due to planned completion of projects later in the fiscal period:

- **Denman Island LTC Housing Review** - Spending to date is \$4,600 (29% of budget), primarily due to the project being slightly delayed. Expected expenses for public hearing, communications and legal will occur at first reading in March, 2026.
- **Denman OCP Amendment – Technical and First Nations Updates**
No spending to the end of Q3 against the \$4,000 budget. Project expenditures are expected by the end of Fiscal 2026.
- **Gabriola – OCP/LUB**
Spending is at \$38,000 (79%) of the \$48,000 budget to the end of Q3 and the remaining work is expected to take place by the end of fiscal 2026.
- **Galiano – Small Island LUB Update**
Minimal spending to the end of Q3 against the \$4,000 budget. The public hearing for this project is expected to take place in fiscal 2027.
- **Gambier – OCP/LUB Review**
Minimal spending to the end of Q3 against the \$10,000 budget. The project was delayed due to an LTC request to modify the work plan. The forecast indicates that only 25% (\$2,500) of this total budget will be spent in fiscal 2026.
- **Hornby – OCP/LUB**
Spending is at \$11,853 (63%) of the \$18,750 budget to the end of Q3. There have been delays in the scheduling of the public hearing for this project which will take place in Q4.
- **Lasqueti – OCP/LUB Review**
No spending to the end of Q3 against the \$15,500 budget. The 2025 Feasibility Assessment for this Lasqueti LTC project indicated this project would start once staff resources are available. Resources were not made available due to longer than expected timelines for other Regional Planning Team projects and impacts from BCGEU strike. There will be no spending for this project in fiscal 2026.
- **Mayne Island – Housing Project**
Minimal spending to the end of Q3 against the \$8,000 budget. A public hearing will be held in January, with expenditures expected later in the fiscal year. There will be minor spending of \$1,000 on this project to the end of fiscal 2026.
- **North Pender – Raptor Nest DPA Update**
Minimal spending to the end of Q3 against the \$5,000 budget. A public hearing is scheduled for March.
- **North Pender – Housing Access and Affordability**
Spending the end of Q3 is \$2,000 (28% of budget), where a mail out has not yet taken place and is scheduled to be done in Q4. There will be a total of \$4,000 (50%) of this \$8,000 budget spent by the end of fiscal 2026.
- **Salt Spring – OCP/LUB Review**
Spending to date is \$50,000 (25%) against this \$204,000 budget. This project has been

delayed primarily due to a delay in hiring the contractor as well as staff vacancies. It is expected that there will be a total of \$130,000 spent to the end of Fiscal 2026 with the remainder of \$74,000 coming from surplus to fund the project in fiscal 2027.

- **Salt Spring – Housing Action Program**
No spending to the end of Q3 against the \$5,000 budget. Delay in spending is primarily due to delay in First Nations referral of Bylaw No 537. There is expected to be no spending for the project in fiscal 2026.
 - **SSIWPA – Plan Coordination**
No spending to the end of Q3 against the \$55,000 budget. This project is not expected to advance this fiscal year and has not been included in the 2026/27 budget.
 - **Salt Spring – Groundwater Sustainability Strategy**
No spending to the end of Q3 against the \$16,500 budget. This project is not expected to advance this fiscal year and has not been included in the 2026/27 budget.
 - **Saturna – Minor Housing Review**
No spending to the end of Q3 against the \$2,000 budget. The LTC is proceeding without the public hearing these funds were allocated to, therefore this budget will not be spent this fiscal year.
 - **South Pender LUB Minor Amendments**
Spending to date is \$1,400 against this \$3,000 budget. The public hearing has been completed. No additional expenditures are expected on this project.
 - **Thetis – Targeted LUB Amendment**
No spending to the end of Q3 against the \$4,500 budget. This project has been delayed due to BCGEU strike action resulting in extending the timelines in the workplan. No additional expenditures are expected on this project.
- **Other projects** – Spending on regional planning projects is \$37,000 over the annual approved budget:
 - Regional Freshwater Management – the budget of \$12,000 has been fully spent on a consultant for the Freshwater Atlas.
 - Housing Needs Assessments – there was no budget for spending on The Housing Needs Assessment in this fiscal as it was expected to be completed by the end of the prior year. Therefore, this is showing as overspent by \$25,000. This overspend is offset by an equal amount in grant revenues recorded.
- **Planning Staff Costs** include employee salaries, benefits, training, travel, and contracted human resources supporting planning activities. As of December 31, 2025, spending totals \$2.3M, representing 68% of the annual budget — \$228,000 below benchmark primarily due to underspending on staff salaries and benefits:
 - The Northern Office Planning Team salaries and benefits costs report at 70% of the budget due to a vacancy of 5.5 months in the Office Administrative Assistant position, savings due to the BCGEU strike, and no costs incurred for excluded staff salary increases, due to likely directives from the province to hold salaries stable.
 - The Southern Planning Team has been fully staffed during for the first three quarters of the fiscal year with the exception of the Co-op student position which was budgeted in this area but was hired into the Northern Planning Services team. There were also small savings due to the BCGEU strike and from excluded staff not receiving raises. Despite these savings, salaries and benefits expense for this team report at 74% of budget, almost exactly at benchmark, due to most savings in this area being offset by staff overtime. As a large portion of the savings have been offset by staff overtime.
 - The Salt Spring Office Planning Team salaries and benefits costs report at 57% of the budget due to savings from the BCGEU strike, savings from excluded staff not receiving increases, and vacancies in the Legislative Services Clerk (2.5 months) and Island Planner (9 months) roles. Some underspending in this budget line was anticipated, and was reallocated to fund SSI office renovation project budgets.

- **Salt Spring Island Office Move/Renovation** spending to December 31, 2025 reports at \$179,000 (183%), which is higher than the annual budget by \$81,000. This is due to an incorrect portion of the total project budget landing in the approved budget.
- **Bylaw Enforcement** costs include staff salaries and benefits, training, mobile devices, travel costs and the Cityview Bylaw Portal project. Spending to December 31, 2025 reports at \$368,000 (67% of budget), which is lower than benchmark by \$44,000. This is due primarily to planned spending on the Cityview Bylaw Portal project not making significant advancements until Q4.
- The General Administrative allocation to LTC Services reports at 67% of budget, lower than benchmark due to underspending in General Administration discussed later in this report.

ISLANDS TRUST CONSERVANCY (ITC) SERVICES

Total ITC expenses include costs related to four main areas: Board expenses; Operating expenses; Property management expenses; and Programs as well as an allocation of general administrative expenses.

Inclusive of the general admin allocation, these expenses report at \$909,000 (54% of budget), which is lower than benchmark by \$344,000.

Individual expense lines within ITC services that deviate significantly from benchmark are as follows:

- **Conservancy Staff and Associated Costs** include employee salaries, benefits, safety equipment, memberships, mobile devices, training and travel costs, as well as any contracted human resources associated with ITC work. This line reports at \$581,000 (61%), lower than benchmark by \$138,000 primarily due to underspending on salaries and benefits resulting from staff vacancies:
 - ITC Team Lead (5.5 months)
 - Covenant Outreach Specialist (4.5 months)
 - Savings from the BCGEU strike
 - Savings due to no costs incurred for excluded staff salary increases, due to likely directives from the province to hold salaries stable.

This underspending was slightly offset by overtime for property management staff in the field during the summer and early fall, and by contracted temporary services.

- **Property Management** costs include Professional Consultant Fees, ITC property management expenses, ITC conservation planning and land securement expenses, and First Nations engagement planning. Property management expenses report at \$74,000 (32% of budget), lower than benchmark by \$102,000. This is due primarily to the following:
 - *Professional Consultant Fees* – no costs have been incurred against the budget to the end of the second quarter and as such this line reports at \$14,000 (75%) below benchmark due to delays securing a bookkeeper and a First Nations advisor consultant. Some of these expenditures are expected to take place Q4.
 - *Property Management* – these costs report at \$74,000 (32%), lower than benchmark by due to staff vacancies and the BCGEU strike where planned field work did not take place..
 - *Conservation Planning & Land Securement* – these costs report at \$250 (1%), lower than benchmark due to a delay executing legal services contracts for land securements, and extensions given to First Nations referrals for a new covenant securement. It is expected this work will take place in Q4.

- *First Nations Engagement Plan* – these costs report at nil for the first quarter, lower than due to delays actioning First Nations engagement for the ITC Five-Year Plan. Some of these expenditures are expected to take place in Q4.
- **Programs** costs include costs for communications, ITC Ecosystem Mapping, and legal. Program costs report lower than benchmark by \$30,000 (62%) primarily due to contractor unavailability and the seasonal timing required to undertake this work. Progress on the ecosystem mapping initiative is not anticipated in the current fiscal year as staffing vacancies continue to limit capacity.
- The general admin allocation to ITC Services reports at 52% of budget, lower than benchmark due to underspending in General Administration discussed later in this report.

General Administration

Total General Administrative expenditures include costs related to six main areas: Executive Office; Financial and Employee services; Office Operations; Legislative and Information Services; Computer, Furniture and Equipment; and Amortization expense. General administration costs are allocated to the three service areas of the Trust (Council, LTCs, and ITCB) based on their relative dollar magnitudes for the period.

General Administration expenses are reported at \$1.2M (44% of budget), which is below benchmark by \$878,000 due to the following:

- **Office Operations** includes costs for audit fees, bank charges, internet, payroll processing, insurance, portion of office rent and services contributed to the general admin area, postage and courier, recruitment costs, stationery and supplies, telephone, mobile devices, organization-wide training, and all staff meetings and recognition. Office operations costs report at \$221,000 (62%), which is lower than benchmark by \$45,000 primarily due to audit fees not yet incurred, as well as savings generated in the areas of recruitment and office supplies.
- **Financial and Employee Services** costs include staff salaries, benefits, training, and travel costs. These costs report at \$403,000 (60% of budget), lower than benchmark primarily due to a vacancy in the Manager of Finance and Accounting position, savings from the BCGEU strike, and no costs incurred for excluded staff salary increases, due to likely directives from the province to hold salaries stable. Savings are offset in part by staff overtime costs and unused leave balances.
- **Legislative and Information Services** costs include all software support and licensing, technical support, technical supplies, meeting streaming services, mobile devices salaries, benefits, training, and travel costs associated with legislative and information services staff as well as costs for Freedom of information and records management. Legislative and Information Services costs report at \$635,000 (64% of budget), below benchmark. This is primarily due to staff vacancies:
 - Senior Technical Analyst position (9 months)
 - Information Systems Specialist position (6.5 months), and
 - GIS Coop position not hired
 - Savings from the BCGEU strike
 - Savings from no costs incurred for excluded staff salary increases, due to likely directives from the province to hold salaries stable.

These vacancies have been partially offset by \$39,000 in contracted temporary services where backfill was necessary for the vacancy in the Information Systems Specialist position.

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 expenses by object are shown as follows:

Object	2025/26 Approved Budget	9 months ending Dec 31, 2025	9 months ending Dec 30, 2024	% of Budget Consumed
Staff Salaries and benefits	7,095,962	4,740,110	4,846,472	67%
Office Operations	1,456,242	1,163,806	998,404	80%
Council and trustee costs	1,111,872	781,997	800,279	70%
Programs	944,410	335,400	395,889	36%
Legal - General	90,000	62,969	43,224	70%
Legal - Bylaw Enforcement	161,000	(69,873)	236,363	-43%
Legal - Litigation	105,000	431,526	164,257	411%
Legal - Statutory Notices	15,000	15,407	7,533	103%
Travel/training and recruitment	219,245	114,113	216,141	52%
Subtotal	11,198,731	7,575,454	7,708,563	68%
Amortization	211,000	75,472	88,364	36%
Total Expenses	11,409,731	7,650,926	7,796,927	67%

Staff salaries and benefits are currently below benchmark due mainly to the following:

DEPARTMENT	2025/26 Approved Budget	2025/26 Approved Budget to Dec 31, 2025	2025/26 Actual Spending to Dec 31, 2025	Actuals over (under) Budget to Dec 31, 2025 (\$)	Portion of Annual Budget Consumed (%)	PRIMARY REASON
Trust Area Services	654,118	490,589	432,842	(57,747)	66%	Vacancies: Temp Senior Policy Advisor (9 months), Grant Manager (2 months) plus strike savings
Islands Trust Conservancy Services	902,189	676,642	539,869	(142,773)	59%	Vacancies: Team Lead (5.5 months), Covenant Manager & Outreach Specialist (4.5 months) plus strike savings
Legislative Services	111,823	83,868	84,991	1,123	76%	Deviation from benchmark not significant
Information Services	535,048	401,286	272,713	(128,573)	51%	Vacancies: Senior Technical Analyst (9 months), Info Systems Specialist (6.5 months), GIS Coop (4 months) plus strike savings.
Financial & Employee Services	666,183	499,637	400,912	(98,725)	60%	Vacancies: Manager Finance and Accounting (9 months) plus strike savings
Office of the CAO	454,063	340,547	347,634	7,087	77%	Deviation from benchmark not significant
Southern Planning Services	877,456	658,092	651,149	(6,943)	74%	Deviation from benchmark not significant
SSI Planning Services	783,351	587,513	445,522	(141,991)	57%	Planner 1 acting in Planner 2 role
Northern Planning Services	996,359	747,269	696,979	(50,290)	70%	Vacancies: Office Administrative Assistant (5.5 months) plus strike savings
Planning Services Director & Specialists	680,775	510,581	505,589	(4,993)	74%	Deviation from benchmark not significant
Bylaw Compliance and Enforcement	419,596	314,697	311,250	(3,447)	74%	Deviation from benchmark not significant
SubTotal Salaries and Benefits	7,080,961	5,310,721	4,683,450	(627,271)	66%	
Contracted Temporary Staff all departments	15,000	11,250	56,660	45,410	378%	Backfill for ITC Communications, Info Systems Specialist, and assistance to new ITC Manager
TOTAL	7,095,961	5,321,971	4,740,110	(581,861)	67%	

The collective agreement between the Province and the BCGEU has now been ratified. The quarter three results include a 3% wage increase for included staff retroactive to April 1, 2025 as well as savings generated in salaries and benefits during the BCGEU strike action. No salary changes have been accrued for excluded staff, in anticipation provincial directive will restrict or prohibit these.

Office Operations costs are currently above expected, primarily due to the timing of computer hardware purchases which took place early in the fiscal year to complete IS installation and setup projects.

Council and trustee costs are tracking below budget, primarily due to savings for Trust Council meetings and underspending by LTCs against their meeting and communications budget.

Program costs are currently below benchmark, primarily due to delays in project advancement and in some cases the timing of planned project expenditures that will occur in Q4.

Total Legal expenses are below benchmark, broken down as follows:

- Legal General costs are slightly lower than expected due to less general legal advice sought by Local Trust Committees.

- Bylaw Enforcement legal costs are lower than expected due to a court-ordered cost recovery of \$147,000 awarded to Islands Trust related to a property clean up on Thetis Island. The costs incurred by Islands Trust for the property clean up were incurred last fiscal year, but with that fiscal year closed, these awarded costs will offset legal expenses in the current year.
- Litigation costs are higher than expected due primarily to a significant legal file on Gabriola Island progressing through the courts. This line also includes \$29,500 in legal cost recovery awarded to Islands Trust for a file on Galiano Island and Salt Spring Island.
- Statutory Notices are slightly higher than expected due primarily to large number of statutory notices on applications being processed during the first quarter.

Traveling/training and recruitment costs are below expected, due to staff vacancies, savings in staff recruitment costs as well as staff taking advantage of more online training.

Amortization expense is tracking as expected, given assets in development and use updated later in the fiscal year.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None.

FINANCIAL: None. Expenditures to December 31, 2025 are within the overall Islands Trust annual approved budget.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: None. Managing staff 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 2.3.1](#) Council Committee System
[Bylaw 201](#) Islands Trust Financial Plan Bylaw, 2025-2026

5 ATTACHMENT(S):

September 30, 2025 Financial Report

RESPONSE OPTIONS

Recommendation:

That Financial Planning Committee forward the December 31, 2025 Financial Report to Trust Council for approval.

Alternative:

None.

Prepared By: N. Roggers, Finance Officer
Reviewed By: Director, Financial and Employee Services
 CAO/February 13, 2026

Islands Trust
Detailed Statement of Operations
For The 9 Months Ending December 31, 2025

Expected % of Budget Received/Used as at Report date = **75%**
Exceptions: Grant revenue, property tax levies, other revenues, project spending
Variances > +/- 10% and +/- \$5000 include explanations

Description	2025/26 Approved Annual Budget	9 months ending Dec 31, 2025	9 months ending Dec 31, 2024	Portion of Annual Budget Consumed (%)	Budget remaining (\$)
REVENUE:					
Fees & Sales	198,100	164,835	132,553	83%	33,265
Provincial Grant - Unrestricted	180,000	180,000	199,000	100%	-
Federal and Provincial Grants - Restricted	415,931	298,131	360,382	72%	117,800
General Property Tax Levy - All LTAs	9,262,200	9,262,200	8,555,040	100%	-
Municipal Property Tax Levy - Bowen Island Municipa	460,000	460,000	391,260	100%	-
Investment Income	211,000	130,761	212,100	62%	80,239
Total Revenue	10,727,231	10,495,928	9,850,335	98%	231,303
EXPENSES:					
Trust Council Services					
Trust Council	495,108	333,859	327,916	67%	161,249
Executive Committee	138,400	95,359	109,365	69%	43,041
Trust Area Services	804,128	517,659	426,140	64%	286,469
General Admin Allocation - 16%	478,850	295,995	293,631	62%	182,855
Total Council Expenses	1,916,486	1,242,871	1,157,051	65%	673,615
Local Trust Committee Services					
Local Trust Committees	975,053	863,697	895,388	89%	111,356
Projects - Note 1	448,000	147,135	266,093	33%	300,865
Planning Staff	3,416,860	2,334,575	2,448,476	68%	1,082,285
LPS Facilities	380,130	296,799	293,994	78%	83,331
Salt Spring Island Office Move/Renovation	98,000	178,876	-	183%	(80,876)
Bylaw Enforcement	549,281	368,199	341,163	67%	181,082
General Admin Allocation - 72%	1,954,297	1,309,576	1,443,672	67%	644,721
Total Local Trust Committee Services	7,821,621	5,498,858	5,688,787	70%	2,322,763
Trust Conservancy Services					
Board	10,350	6,311	5,865	61%	4,039
Conservancy Staff and Associated Costs	959,945	581,529	626,829	61%	378,416
Property Management	234,460	74,290	65,242	32%	160,170
Programs	49,200	30,539	11,791	62%	18,661
General Admin Allocation - 12%	417,669	216,529	241,363	52%	201,140
Total Trust Conservancy Expenses	1,671,624	909,197	951,089	54%	762,427
General Administration Services					
Office of the CAO	459,371	349,503	523,694	76%	109,868
Financial and Employee Services	676,199	403,159	327,821	60%	273,040
Legislative and Information Services	987,166	634,565	625,517	64%	352,601
Office Operations	353,980	220,874	247,446	62%	133,106
Computer/Furniture & Equipment	163,100	138,526	182,498	85%	24,574
Amortization Expense	211,000	75,472	71,688	36%	135,528
General Admin Recovery	(2,850,816)	(1,259,348)	(1,978,665)	44%	(1,591,468)
TOTAL EXPENSES	11,409,731	7,650,926	7,796,927	67%	3,758,805
YTD Surplus (Shortfall)	(682,500)	2,845,001	2,053,409		
Amortization Adjustment	(211,000)	n/a	n/a		
Capital adjustment	n/a	317,402	182,498		
Adjusted surplus (shortfall)	(471,500)	3,162,404	2,235,907		
Funded by:					
Transfer from (to) General Revenue Surplus Fund	201,000	(3,253,419)	(2,393,480)		
Transfer from (to) LTC Reserve Fund	199,000	91,015	157,574		
Transfer from (to) Special Tax Requisition Fund	71,500	-	-		
Net Unfunded Balance	-	0	(0)		

Description	2025/26 Approved Annual Budget	9 months ending Dec 31, 2025	9 months ending Dec 31, 2024	Portion of Annual Budget Consumed (%)	Budget remaining (\$)
Note 1: LTC & Planning Services Project Spending					
Unallocated LTC Reserve Fund Draw	9,000	-	-	0%	9,000
Denman Housing Review	15,750	4,612	97	29%	11,138
Denman TUP Review	-	-	47	0%	-
Denman Amend OCP for technical + First Nations up	4,000	-	-	0%	4,000
Gabriola OCP/LUB	48,000	38,119	14,607	79%	9,881
Galiano Groundwater Strategy Implementation	-	-	1,241	0%	-
Galiano Small Islands LUB update	4,000	228	-	6%	3,772
Gambier OCP/LUB	10,000	75	-	1%	9,925
Gambier Keats Island Shoreline Protection Review	-	-	4,976	0%	-
Hornby OCP/LUB	18,750	11,853	-	63%	6,897
Lasqueti OCP/LUB	15,500	-	-	0%	15,500
Mayne Island Housing	8,000	516	-	6%	7,484
Mayne LUB Minor Amendments	-	-	1,241	0%	-
North Pender Raptor Nest DPA update	5,000	688	90	14%	4,312
North Pender Housing Access & Affordability	8,000	2,223	423	28%	5,777
Salt Spring OCP/LUB	204,000	50,253	134,084	25%	153,747
Salt Spring Housing Action Program	5,000	-	-	0%	5,000
SSIWPA Plan Coordination	55,000	-	-	0%	55,000
Salt Spring Groundwater Sustainability Strategy	16,500	-	-	0%	16,500
Saturna Minor Housing Review	2,000	-	250	0%	2,000
South Pender LUB Minor Amendments	3,000	1,450	517	48%	1,550
Thetis Targeted LUB Amendment	4,500	-	-	0%	4,500
Total LTC Projects	436,000	110,015	157,574	25%	325,985
Regional Freshwater Management	12,000	12,000	15,900	100%	-
Housing Strategy	-	-	8,000	0%	-
Cityview Planning Portal (LGDAP)	-	-	53,220	0%	-
Housing Needs Assessments	-	25,120	31400	0%	(25,120)
Total Regional Planning Projects	12,000	37,120	108,520	309%	(25,120)
Total All Planning Projects	448,000	147,135	266,093	33%	300,865



BRIEFING

To: Financial Planning Committee **For the Meeting of:** February 18, 2025
From: Financial Services **Date Prepared:** February 4, 2025
SUBJECT: FINANCIAL FORECAST AS AT DECEMBER 31, 2025

PURPOSE:

To provide Financial Planning Committee (FPC) with an overview of forecasted financial performance to the end of the current fiscal year, to support their responsibility for financial management oversight.

Historically, FPC has forwarded financial forecasts to Trust Council for their information. If FPC wishes to forward this report, a resolution to do so must be made.

BACKGROUND:

The forecasted financial results to March 31, 2026 have been prepared based on actual financial performance to December 31, 2025 plus estimates of forecasted spending for the remainder of the fiscal year submitted by expense authorities across the organization.

DESCRIPTION	Approved Annual 2025/26 Budget	9 month Actual Spending to December 31, 2025	12 month Forecasted Spending to March 31, 2026	Forecast Over (Under) Budget
Tax revenues	9,722,200	9,722,200	9,722,200	-
Grant revenues	595,931	478,131	655,517	59,586
Other revenues	409,100	295,597	365,047	(44,053)
TOTAL REVENUE	10,727,231	10,495,928	10,742,764	15,533
Operating Expenses	10,444,631	7,056,038	9,740,000	(704,631)
Project Expenses	704,000	258,856	495,300	(208,700)
Capital Expenses	261,100	336,033	392,000	130,900
TOTAL EXPENDITURES	11,409,731	7,650,926	10,627,300	(782,431)
SURPLUS (SHORTFALL)	(682,500)	2,845,002	115,464	797,964
<u>Funded by:</u>				
Changes in amounts invested in TCA	211,000	173,375	231,200	20,200
Transfer from (to) Gen Rev Surplus Fund	201,000	(3,128,392)	(533,364)	(734,364)
Transfer from (to) LTC Project Reserve Fund	199,000	110,015	186,700	(12,300)
Transfer from (to) Special Property Tax Reserve Fund	71,500	-	-	(71,500)
Net unfunded	-	-	-	0

SUMMARY:

The forecast to March 31, 2026 reflects a projected annual surplus of \$115,464. The approved budget expected a shortfall of \$682,500.

Total revenue is forecasted to complete higher than budget primarily due to increased recognition of grant funds that is offset by a decrease in the investment income where interest rates have been lower than those expected at the time of budget approval.

Operating expenses are forecasted to complete below budget due primarily to underspending in salaries and benefits due to savings generated by the three-week long BCGEU strike, no raises included for excluded staff, and staff vacancies. Underspending in this area is offset by overspending in legal expenses associated with bylaw enforcement litigation and litigation defense.

Project spending is forecasted to complete lower than budget primarily due to LTC project delays, or projects not moving forward at all in the year. Project delays may arise from things such as staff vacancies, shifting political priorities, changes in project scope, or delays in securing contracts for consultant work.

Capital spending is forecasted to complete higher than budget due primarily to higher than budgeted cost incurred for the Salt Spring Island office renovation, which completed in September 2025.

An explanation of the significant revenue and expenditure areas contributing to this forecasted variance are as follows (where significance is determined as greater than or less than 10% from budget, and greater than or less than \$5,000 from budget).

REVENUES:

Total revenues are forecasted to complete at \$16,000 (0.14%) higher than budget due to:

- Revenue from grants is recorded when eligible spending of the funds takes place. Amounts forecasted as revenue reflect anticipated spending this fiscal year on the projects these grants are funding. Forecasted grant revenue recognition that differs from budget is as follows:
 - ~ Provincial Grant Income for the Community-to-Community grant for work with Tsawout grant revenue is forecasted at \$20,000 (100%) higher than expected due to this grant only becoming available during the fiscal year and therefore was not anticipated at budget time.
 - ~ Provincial Grant Income for First Nations Engagement is forecasted \$7,000 lower than expected due to lower than planned spending on First Nations capacity funding where work on agreements in place was slower than anticipated.
 - ~ Provincial Grant Income for the SPARC Accessibility grant is forecasted at \$25,000 high than expected due to this grant only becoming available during the fiscal year and therefore was not anticipated at budget time.
 - ~ Provincial Grant Income for the Housing Initiatives Program is expected to be \$25,000 (100%) higher than budget as eligible grant spending relating to the completion of this project did not take place until the beginning of this fiscal year where it was originally budgeted and forecasted for completion in the prior fiscal year.
 - ~ Interest Income is expected to be \$46,000 (22%) lower than budget where interest rates have decreased in comparison to figures used at the time the fiscal 2026 budget was formulated.

EXPENDITURES:

Total expenditures are forecasted to complete at \$780,000 (6.9%) lower than budget.

Significant areas of underspending and overspending by expense type include:

- Amortization Expense – forecasted underspending of \$57,000 (27%) due to the timing of capital spending in the year, whereby fewer months of amortization are included in forecasted results compared to budget figures.
- Technical Support – forecasted overspending of \$18,000 (19%) due to increased reliance on vendor support due to staff vacancies in the Information Services team.
- Meeting Streaming Services – forecasted underspending of \$6,000 (40%) due to a vendor credit to correct erroneously charged PST in the prior year.
- Contracted Temporary Staffing – forecasted overspending of \$58,000 (387%). This budget line is intended to record spending on contracted human resources to backfill staff positions. Forecasted spending consists of the following:
 - ~ \$19,000 for consultant work for ITC for complex policy work
 - ~ \$39,000 for consultant work to backfill vacancies in the Information Systems Specialist position and for technical assistance at Trust Council meetings. These expenditures are offset by savings in salaries and benefits budgets.
- Professional Consultant Fees – forecasted underspending of \$8,000 (42%) due to delays in work with Indigenous Governing Bodies and knowledge holders on ITC management planning for the Link Island and Saturnina Nature Reserves.
- Conservation Planning and Land Securement – forecasted underspending of \$6,000 (22%) due to a delay in legal services contracts for securements and extension for First Nations referrals on new covenant securement projects.
- Ecosystem Mapping – forecasted underspending of \$9,000 (100%). This work has been deferred to next year due to capacity constraints and within the ITC Services team.
- Legal – the total forecasted overspending for all legal expense categories is \$157,000 (44%), including spending on general legal advice, bylaw enforcement litigation, and litigation defense. A breakdown of the forecasted spending by category is as follows:
 - Legal General - forecasted underspending of \$10,000 (11%) due to fewer legal advice requests sought by Trust Areas Services and Local Trust Committees.
 - Bylaw Enforcement - forecasted underspending of \$196,000 (122%) due to a court-ordered cost recovery of \$147,000 related to a property clean up on Thetis Island being awarded to Islands Trust. The costs incurred by Islands Trust for the property clean up were incurred last fiscal year, but with that fiscal year closed, these awarded costs are netted against expenses in the current year.
 - Litigation - forecasted overspending of \$363,000 (346%) due primarily to significant legal files progressing through the courts. This line also includes \$29,500 in cost recoveries awarded to Islands Trust for files on Galiano Island and Salt Spring Island.
- Local Trust Committees – forecasted combined underspending of \$9,000 (11%) for trustee expenses, executive expenses on LTC, LTC meetings, APC meetings and communications due to the cancellation of some meetings during the BCGEU strike action.
- Notices Statutory & Non-Statutory – forecasted underspending of \$7,000 (47%) due to some cancelled LTC meetings, as well as more LTCs adopting online notices reducing cost.

- Office Services – forecasted underspending of \$15,000 (22%) due to savings on office services (such as hydro, garbage, recycling, and security monitoring) due to delays opening the Salt Spring Island office stemming from delayed completion of the renovation project.
- Recruitment & Labour Relations – forecasted overspending of \$5,000 (25%) for Public Service Agency support on a labor relations matter.
- Safety – forecasted underspending of \$7,000 due to costs for BIVY GPS devices coming in lower than expected.
- Salaries and Benefits - forecasted underspending totaling \$760,000 (11%) broken down by business unit as follows:
 - ~ Trust Area Services: forecasted to be underspent by \$50,000 (8%) due to the vacancy of the Temporary Senior Policy Advisor for 9 months and the Grant Manager (2 months), plus savings arising from the BCGEU strike.
 - ~ ITC: forecasted to be underspent by \$201,000 (22%) due a vacancy in the Protected Area Management Team Lead (5.5 months), the Covenant Manager and Outreach Specialist (8 months), plus savings arising from the BCGEU strike.
 - ~ Financial and Employee Services: forecasted to be underspent by \$128,000 (19%) due to long-term vacancy in the Manager of Finance & Accounting role plus savings arising from the BCGEU strike.
 - ~ Information Services: forecasted to be underspent by \$128,000 (24%) due to vacancies in the Senior Technical Analyst position (9 months), Information Systems Specialist (6.5 months), not hiring the GIS co-op that was budgeted plus savings arising from the BCGEU strike.
 - ~ Southern Planning Team: forecasted to be underspent by \$24,000 (3%) due to budget due to the Planning Services Co-op Student being hired for the Northern Planning Services team rather than the Southern where it was budgeted for.
 - ~ Northern Planning Team: forecasted to be underspent by \$63,000 (6%) due to a vacancy in the Office Administrative Assistant (8 months), plus savings arising from the BCGEU strike. Costs for the Planning Services Co-op student offset these items.
 - ~ Salt Spring Island Planning Team: forecasted to be underspent by \$167,000 (21%) due to vacancies in the Legislative Services Clerk (2.5 months) and the Island Planner (9.5 months) plus savings arising from the BCGEU strike. Some underspending in this area was planned for, as a way to offset office renovation project overages.
 - ~ Bylaw Enforcement: forecasted to be underspent by \$10,000 (2%) due to savings arising from the BCGEU strike, offset by overtime costs.
- UBCM/AVICC convention underspending of \$1,600 (15%) due to lower costs for accommodations than anticipated
- Training and conferences, and Travel for training, - forecasted underspending by a combined total of \$31,000 (17%) primarily due to staff vacancies, and many staff opting for more online training opportunities reducing both registration costs and travel for training costs.
- Travel costs - forecasted underspending of \$17,000 (21%) due primarily to less travel by Bylaw Enforcement Officers, particularly due to reduced travel for this team planned for the fourth quarter.
- Furniture and Equipment - forecasted overspending of \$7,000 (100%) due to replacement of two projectors for Trust Council that were not in the budget.

- Salt Spring Island Office Renovation Project – forecasted overspending of \$109,000 (111%) due to an incorrect portion of the total project budget landing in the approved budget.
- Projects - forecasted underspending totals \$209,000 (30%) for all projects, broken down as follows:

Trust Council Strategic Plan Projects:

- ~ Trust Council Policy Review - forecasted underspending of \$6,000 (100%) due to lack of staff capacity to undertake this work. This project will move forward in Fiscal 2027 with funding coming from surplus.
- ~ Housing Needs Assessment - forecasted overspending of \$25,000 (100%) that partially offsets project underspending due to unanticipated spending that took place on the Housing needs assessment project of \$25,000. This amount is paid for by unspent grant funds received in previous years.

Trust Council Programs:

- ~ Secretariat Services - forecasted underspending of \$5,000 (30%) due to Trust Council only allocating \$14,425 of the approved budget and the Bayne Sound Lambert Channel Ecosystem Forum, which was approved for \$2,500 in administrative support, has had several directors step away from the work and has advised they will not be able to make use of Islands Trust's support this year
- ~ ITCB Projects: First Nations Engagement Plan – forecasted underspending of \$10,000 (50%) due to staff vacancies in Islands Trust Conservancy where engagement with First Nations was delayed.

LTC Projects:

- ~ Gambier OCP/LUB – forecasted underspending of \$10,000 (100%) due to delay where the LTC has requested changes to the workplan. This project will move forward in Fiscal 2027 with funding coming from surplus.
- ~ Lasqueti OCP/LUB – forecasted underspending of \$15,500 (100%) based on 2025 Feasibility Assessment where the LA LTC project would be started once staff resources are available. Resources were not made available due to longer than expected timelines for other Regional Planning Team projects and impacts from BCGEU strike. This project will move forward in Fiscal 2027 with funding coming from surplus
- ~ Mayne Island Housing – forecasted underspending of \$7,000 (88%) due to the project proceeding quicker than anticipated. The LTC elected not to host extra meetings or conduct legal review.
- ~ Salt Spring OCP/LUB - forecasted underspending of \$74,000 (36%) due to delay in start date of contractor as well as staffing vacancies that prevented the work from moving forward. This amount will be used to fund a portion of this project's expenditures in F2027.
- ~ SSI Water Protection Authority (SSIWPA): the two funded projects for SSIWPA did not advance in the year, as such the full budget of \$71,500 will not be spent.
- ~ Minor LTC Projects – forecasted underspending of \$11,000 (20%), due primarily to delayed public hearings.

Other variances are not significant for the purposes of reporting.

CONCLUSIONS:

The approved budget expected revenues of \$10.72M. The forecast estimates revenues at \$10.74M, which is approximately \$15,500 (0.14%) higher than budgeted.

The approved budget approved spending of \$11.40M. The forecast estimates spending for the year at \$10.62M, lower than budgeted by approximately \$782,000 (6.9%).

Due to forecasted increases in revenues coupled with forecasted decreased spending, the following draws from surplus and reserves are forecasted:

- ~ The contribution to the General Revenue Surplus Fund (GRSF) is forecasted to be \$533,000.
- ~ The transfer from the LTC reserve fund is forecasted to be \$187,000.
- ~ No contribution to, or transfer from, is expected from the Special Property Tax Reserve Fund.

ATTACHMENT(S):

- None

FOLLOW-UP: Forward to Trust Council for information.

Prepared By: N. Roggers, Finance Officer
Reviewed By: Director, Financial and Employee Services



REQUEST FOR DECISION

To: Trust Council

For the Meeting of: March 11, 2026

From: Financial Planning
Committee

Date Prepared: February 6, 2026

SUBJECT: REVENUE ANTICIPATION BORROWING BYLAW

RECOMMENDATION:

1. That Islands Trust Council Bylaw 205, cited as “Islands Trust Council Revenue Anticipation Borrowing Bylaw 2026-27”, be Read a First Time.
2. That Islands Trust Council Bylaw 205, cited as “Islands Trust Council Revenue Anticipation Borrowing Bylaw 2026-27”, be Read a Second Time.
3. That Islands Trust Council Bylaw 205, cited as “Islands Trust Council Revenue Anticipation Borrowing Bylaw 2026-27”, be Read a Third Time.
4. That Islands Trust Council Bylaw 205, cited as “Islands Trust Council Revenue Anticipation Borrowing Bylaw 2026-27”, be forwarded to the Minister of Municipal Affairs for approval consideration.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

The *Local Government Act* requires local governments to enact a “borrowing bylaw” before borrowing funds, therefore all local governments adopt a borrowing bylaw to cover unexpected situations where they might have to borrow money at short notice. The bylaw also requires Ministerial approval. While the Islands Trust Council adopts a borrowing bylaw each year, no borrowing has been required for many years. Expenditures have historically been carefully managed to ensure they do not exceed the budgeted revenues or place unnecessary strain on surplus funds.

1 PURPOSE:

The Islands Trust is required under the *Islands Trust Act, S.8(3)* and *Islands Trust Act Regulation #12*, to adopt a bylaw authorizing the borrowing of money that may be required to meet current expenditures before revenue from all sources has been received. The bylaw also requires Ministerial approval.

2 BACKGROUND:

This requirement may be particularly relevant between the beginning of the fiscal year (April 1) and the time of receipt of tax levy proceeds, or in the event of significant unusual circumstances affecting Trust finances. The bylaw specifies a limit of \$2,200,000 (representing ~2.5 months of operational spending less non-tax, non-tax grant revenue for the fiscal year) and an interest rate not to exceed 2% per annum over bank prime, in line with historical limits. Islands Trust is currently able to borrow at prime for short term operating financing, up to prime plus 0.75% for financing associated with riskier borrowing, which is unlikely borrowing for the Trust. Islands Trust has not required borrowing in several decades, and without exceptional circumstances affecting the financial position of the organisation, is very unlikely to require borrowing in the coming year.

3 IMPLICATIONS OF RECOMMENDATION:

ORGANIZATIONAL: The ability to borrow is enabled by adoption of the bylaw.

FINANCIAL: Interest expense, if incurred, would be charged against the appropriate budget account.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: None.

FIRST NATIONS: None.

OTHER: None.

4 RELEVANT POLICY/LEGISLATION:

Islands Trust Act, Section.8(3); BC Regulation 119/90; Local Government Act, Sections 404 and 405

5 ATTACHMENT:

Islands Trust Council Revenue Anticipation Borrowing Bylaw 2026-2027

RESPONSE OPTIONS

Recommendation:

That Islands Trust Council perform three readings of the Revenue Anticipation Borrowing Bylaw and advance for approval by the Minister of Municipal Affairs.

1. That Islands Trust Council Bylaw 205, cited as "Islands Trust Council Revenue Anticipation Borrowing Bylaw 2026-2027", be Read a First Time.
2. That Islands Trust Council Bylaw 205, cited as "Islands Trust Council Revenue Anticipation Borrowing Bylaw 2026-2027", be Read a Second Time.
3. That Islands Trust Council Bylaw 205, cited as "Islands Trust Council Revenue Anticipation Borrowing Bylaw 2026-2027", be Read a Third Time.
4. That Islands Trust Council Bylaw 205, cited as "Islands Trust Council Revenue Anticipation Borrowing Bylaw 2026-2027", be forwarded to the Minister of Municipal Affairs for approval consideration.

Alternative: None identified.

Prepared By: Financial and Employee Services
Reviewed By: Chief Administrative Officer
Director, Legislative & Information Services

**ISLANDS TRUST COUNCIL
BYLAW NO. 205**

A Bylaw to Provide for the Borrowing of Money During
Fiscal Year 2026-2027 in Anticipation of Revenue

WHEREAS the Islands Trust may not have sufficient money on hand to meet the current lawful expenditures of the Islands Trust;

AND WHEREAS it is provided by Section 8(3) of the *Islands Trust Act* and Sections 404 and 405 of the *Local Government Act* that the Islands Trust may, with the approval of the Minister of Municipal Affairs, borrow such sums of money as may be required to meet the current lawful expenditures of the Islands Trust before revenue, from all sources, to pay for those expenditures has been received, provided that money so borrowed is repaid when the anticipated revenue with respect to which the borrowing was authorized is received;

AND WHEREAS the Islands Trust Council anticipates receiving for the 2026-2027 budget a Provincial Contribution and a property tax levy, and these revenues have not been received at the time of adoption of this bylaw;

NOW THEREFORE Islands Trust Council enacts as follows:

1. This bylaw may be cited as "Islands Trust Council Revenue Anticipation Borrowing Bylaw 2026-2027".
2. Islands Trust Council shall be and is hereby authorized to borrow upon the credit of Islands Trust Council an amount or amounts not exceeding \$2,500,000 as the same may be required and to pay interest thereon at a rate not exceeding 2% over bank prime rate per annum.
3. The form of obligation to be given as acknowledgement of the liability shall be a promissory note or notes bearing the corporate seal and signed by the Chairperson of Islands Trust Council and the Treasurer of Islands Trust.
4. The Provincial Contribution and property tax levy, or so much thereof as may be necessary, shall be used to repay the money so borrowed when received on account of the 2026-2027 budget.

READ A FIRST TIME THIS ___ DAY OF ___ , 2026
READ A SECOND TIME THIS ___ DAY OF ___ , 2026
READ A THIRD TIME THIS ___ DAY OF ___ , 2026
APPROVED BY THE MINISTER OF MUNICIPAL AFFAIRS
THIS ___ DAY OF ___ , 2026
ADOPTED THIS ___ DAY OF ___ , 2026

SECRETARY

CHAIR

Active Projects Report

Financial Planning Committee

1. 5-year Financial Plan Bylaw - Submission to Minister

Responsible

Dates

Activity:

Julia Mobbs

Rec'd: 12-Mar-2026

Prepare report to the Minister on the 2026/27 budget and 5-year financial plan, to accompany the 5-year Financial Plan Bylaw Submission.

Target: 31-Mar-2026

2. Annual Financial Statements & Audit: Islands Trust and Islands Trust Conservancy

Responsible

Dates

Activity:

Underway:

- Audit planning with the appointed auditors, KPMG LLP.
- Audit Committee meeting with KPMG in February 2026.

Upcoming:

- Preparation of Islands Trust and Islands Trust Conservancy financial statements and audit packages.
- Audit fieldwork scheduled for May 2026.
- Audit Committee meeting in May 2026 with KPMG LLP to present audit findings.

Rec'd: 10-Mar-2026

Target: 27-May-2026

Financial Planning Committee

3. *Statement of Financial Information*

Responsible

Dates

Activity:

Prepare the Statement of Financial Information in accordance with the Financial Information Act, for review by Financial Planning Committee in May 2026, and approval by Trust Council in June 2026.

Rec'd: 10-Mar-2026

Target: 27-May-2026

Future Projects Report

Financial Planning Committee

1. <i>Review of TC Policy 6.5.2 Budget Control and Adjustment Authority (EC directed)</i>	Responsible	Date Received
<p>Review Islands Trust Policy 6.5.2 Budget Control and Adjustment as a whole and specifically make recommendations to amend the policy to ensure the policy is clear in regards to the process and decision making authority related to proposed 'overspends' for any particular budget item.</p>	Julia Mobbs	12-Mar-2024
2. <i>Review of TC Policy 6.5.1 Reserves and Surplus</i>	Responsible	Date Received
<p>That Financial Planning Committee request staff to investigate possible language changes to TC Policy 6.5.1 Reserves and Surplus to ensure that it does not violate best practices related to use of surplus funds to fund operating expenses.</p>	Julia Mobbs	12-Oct-2022
3. <i>Evaluating Potential New Specific Reserve Funds</i>	Responsible	Date Received
<p>Staff to prepare a report analyzing the value of creating new specific reserve funds that may serve to fund large future initiatives such as elections, information technology, data acquisitions, and capital projects.</p>	Julia Mobbs	20-Aug-2025
4. <i>Recommendations for Increasing Application Fees</i>	Responsible	Date Received
<p>Trust Council Direction: that the Financial Planning Committee return to Trust Council with recommendations on how to increase the application fees.</p>	Julia Mobbs Stefan Cermak	18-Sep-2025