ADOPTED

Financial Planning Committee
Minutes of Regular Meeting

Date of Meeting: **August 30, 2023**
Location: **Electronic Meeting**

Members Present:
Joe Bernardo, Local Trustee (Chair)
Mairead Boland, Local Trustee (Vice Chair)
David Graham, Local Trustee
Jamie Harris, Governance Committee Representative
Peter Luckham, Executive Committee Representative
David Maude, Executive Committee Representative
Laura Patrick, Regional Planning Committee Representative
Tim Peterson, Executive Committee Representative

Member Regrets:
Susan Yates, Islands Trust Conservancy Board Representative
Tobi Elliott, Executive Committee Representative
Kristina Evans, Trust Programs Committee Representative

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

Others Present: No member of the public was present.

1. CALL TO ORDER

Chair Bernardo called the meeting to order at 10:54 a.m.

2. AGENDA

2.1 Review of the Agenda

The following was presented for consideration as a late item:

- Item 7.1 – the Islands Trust Audited Financial Statements and Audit Report forwarded from the Audit Committee

The following were presented for consideration as new items:

- 7.5.1.1 Budget Business Case Format – Trustee Patrick
- 8.1 Business Cases provided to FPC – Trustee Boland

2.2 Approval of Agenda

By general consent the Committee approved the agenda as amended.

3. PUBLIC COMMENT PERIOD

No member of the public was present.

4. DELEGATIONS

None.

5. CORRESPONDENCE

None.

6. ADMINISTRATIVE COORDINATION

6.1 Draft Minutes of Previous Meeting

6.1.1 Financial Planning Committee minutes of May 31, 2023

By general consent the Committee approved the minutes as presented.

6.2 Resolutions Without Meeting

None.

6.3 Follow up Action List (FUAL)

The Follow-up Action List was presented for information. Director Frater reported that provincial government staff are reviewing the impact of the current policy in regards to special tax requisitions on associated islands and will report to the Committee any response that she receives. Director Mobbs indicated that work on the review of various Trust Council (TC) financial policies has been deferred until after TC completes their over-all review of TC policies expected to be done in December.

7. BUSINESS – WORK PROGRAM ITEMS

7.1 March 31, 2023 Audited Financial Statements – Briefing (BRF)

The audited financial statements and the audit report were received for information from the Audit Committee (AC) upon adjournment of their meeting on August 30, 2023. The AC has sent the material to TC. Chair Bernardo mentioned that the auditors provided a compliment to Islands Trust for the quality of financial accounting which resulted in a “clean” audit.

7.2 March 31, 2023 Allocated Financial Statements (AFS) - BRF

Director Mobbs presented the briefing, indicating that it was for information and the Committee could forward to Trust Council if desired. She also noted that the accuracy of the AFS relies on staff accurately recording their time spent on individual LTC work. Trust Council will be discussing the value and potential form of this tracking for other purposes.

FPC-2023-024
It was MOVED and SECONDED,
that Financial Planning Committee forward the March 31, 2023 Allocated Financial Statements to Trust Council for information.

CARRIED

7.3 Statement of Financial Information (SOFI) – Request For Decision (RFD)

Director Mobbs introduced the RFD, indicating that SOFI is a report required by legislation. Committee discussion included:

- the possibility of identifying what amounts, if any, are paid by Islands Trust insurers to legal counsel
- the amount paid to Young Anderson is slightly larger than normal but not significantly so
- most of the amounts paid to Young Anderson relate to litigation as the cost of legal opinions is a small amount in comparison to the total

FPC-2023-025
It was MOVED and SECONDED,
that Financial Planning Committee forward the 2022-23 Statement of Financial Information to Trust Council for approval.

CARRIED

7.4 Q1 Financial Report - RFD

Director Mobbs introduced the RFD that reflects spending in the first quarter of the fiscal year that is not significantly different than expected. Committee discussion included a suggested amendment to the text in regards to the Salt Spring Island Water Protection Authority under Planning Projects on page 29 of the agenda. It was suggested that staff discuss next steps in this regard directly with the Salt Spring Island Local Trust Committee.

FPC-2023-026
It was MOVED and SECONDED,
that Financial Planning Committee forward the Q1 June 30, 2023 financial report as amended to Trust Council for approval.

CARRIED

Financial Planning Committee recessed at 11:58 a.m. and resumed at 12:30 p.m.
Trustee Peterson joined the meeting at 12:30 p.m.

7.5 Draft 2024/25 Budget Information

7.5.1 Budget Assumptions, Principles, Timelines - BRF

Director Mobbs introduced the Briefing indicating that the Budget Assumptions and Principles (BAP) document provides the underlying basis for developing many of the individual revenue and expense budget lines. Committee discussion included:

- what the amount of property development might be in the current fiscal year
- what staff salary increases might occur as a result of the new BCGEU collective agreement
- the value of the lease for the small office space on Galiano Island
- the possibility that the Province will provide extra funding for Official Community Plan and Land Use Bylaw reviews
- the impact of corporate planning to the BAP
- the possibility of encouraging a single business case that incorporates similar projects (such as OCP reviews) to support efficiencies that result from that consolidation
- the Director of Planning Services provides planning project feasibility assessment
- LTCs have the ability or right to create their own projects that may or may not have broad benefits to the Trust Area
- the need to identify resources available to accomplish the planning projects
- the possibility of not funding or limiting funding projects that require resources additional to what is available rather than using general surplus funds to support those projects
- First Nations engagement and reconciliation activities should be integrated into Islands Trust work and budget development so that all business cases include consideration of First Nations engagement needs (e.g. capacity funding, relationship building opportunities) and opportunities to advance reconciliation and identify associated costs
- Public engagement and communication needs should be considered for all projects so that all business cases should include consideration of public engagement and communications needs (e.g. engagement tools, communication products, advertising, graphic design) and identify associated costs

FPC-2023-027
It was MOVED and SECONDED,
that Financial Planning Committee amend the Budget Assumptions and Principles document to include the following: “All business cases will include consideration of First Nation engagement needs and opportunities to advance reconciliation. All business cases will include consideration of public engagement and communication needs.”

CARRIED

FPC-2023-028
It was MOVED and SECONDED,
that Financial Planning Committee amend the Budget Principles and Assumptions document by adding to item 16 Planning Services an assumption that "similar projects (e.g., OCPs) will be consolidated for efficiencies where feasible" and an assumption that "Projects will not be funded unless there are sufficient staff resources to implement them".

CARRIED

Committee discussion continued:

- as part of the new corporate planning process, an amendment to the budget development process is contemplated to include budget guidelines. As an example, the budget guidelines might stipulate that operational or departmental budgets should have no increase over the previous year's budget with the exception of non-discretionary costs and staffing costs or guidelines might indicate as to where funding should be prioritized in the event that funding cuts are required.
- the possibility of time on the agenda of the next Trust Council meeting to discuss these potential guidelines and how they would fit with the values and vision of the Trust Council

FPC-2023-029
It was MOVED and SECONDED,
that Financial Planning Committee ask Trust Council to consider creating guidelines on the 2024/25 budget early in the budget cycle.

CARRIED

7.5.1.1 Budget Business Case Format

Trustee Patrick spoke to potential changes to the business case format, pointing out that very few major projects can be completed within one fiscal year. Committee discussion included:

- possibility of including previous expenses in a multi-year business case and including estimated costs for future years so that a business case includes all information for the life of the project including the previous fiscal year expenses, the current year expenses, and an estimate of upcoming years' expenses
- Director Mobbs stated that this requirement has already been added to the current business case template so that if a project is expected to be for more than one year then the costs for all years are to be provided, to clearly indicate the cost by year for all the years that the project will be in play.

7.5.2 Budget Cycle Timelines

No discussion.

7.6 Budget Consultation Plan - RFD

Director Frater introduced the RFD that provided a 2024/25 budget public engagement process project charter. Committee discussion included:

- whether public engagement on previous budgets has resulted in meaningful changes to the budget
- whether the timing of such public engagement is effective
- budget consultation could include a discussion of the value of activities and not just their cost
- the volume of responses from the public
- need to construct a survey to assess public's desired service levels, values and budget guidelines

FPC-2023-030
It was MOVED and SECONDED,
that Financial Planning Committee recommend that they not proceed with public engagement with the 2024/25 budget.

CARRIED

8. BUSINESS – NEW

8.1 Business Cases Provided to the FPC – Discussion

The Committee spoke to the timing of FPC receiving business cases, asking whether they could be received by Committee members immediately as they are being approved by other committees, earlier than when they are normally provided to FPC via a meeting agenda. Business cases for budget requests are prepared by various Islands Trust committees through July to October. The FPC is not provided with those business cases until the agenda for the October FPC meeting is published, shortly before that meeting. It was suggested that the business cases could be sent to FPC members directly prior to them being added to a FPC meeting agenda so that members have more time to review them prior to a FPC meeting. Committee discussion included:

- this process change may be challenging to act on as business cases are developed, reviewed, altered and approved by several committees over the course of several weeks so this request might complicate version control and has the potential to create confusion
- currently trustees can review agendas of other committees in search of business cases but that is time-consuming and may not be helpful as those draft business cases might be altered by the relevant committee when they meet to discuss those business cases
- this suggested change can be seen as part of a suite of suggested changes being discussed by the Governance Committee that relate to trustee access to information
- the Province created requirements for local governments to provide agendas for open meetings and, as part of the principle of open and transparent government, all materials that are sent to a trustee needs to be available to the public as well and any discussion of those materials needs to be in an open meeting

9. WORK PROGRAM

9.1 Work Program Update – Request for Decision

Director Mobbs presented the current and the proposed Work Program.

FPC-2023-031
It was MOVED and SECONDED,
that Financial Planning Committee approve the proposed Work Program as presented, and forward it to Trust Council for approval.

CARRIED

10. NEXT MEETING

The next regular meeting is scheduled for Wednesday, October 18, 2023, from 10:00 a.m. to 3:00 p.m. to be conducted electronically.

11. CLOSED MEETING

The Committee did not close the meeting.

12. RISE AND REPORT

As the Committee did not close the meeting, there was no Rise and Report.

13. ADJOURNMENT

By general consent the meeting adjourned at 3:15 p.m.

____
Trustee Bernardo, Chair

Certified Correct:

____
Robert Barlow, Legislative Services Clerk/Recorder