



Financial Planning Committee Minutes of Regular Meeting

Date of Meeting: November 25, 2022

Location: Electronic Meeting

Members Present: Joe Bernardo, Local Trustee
Mairead Boland, Local Trustee
Tobi Elliott, Executive Committee Representative
David Graham, Local Trustee
Peter Luckham, Executive Committee Representative
David Maude, Executive Committee Representative
Tim Peterson, Executive Committee Representative
Grant Scott, Islands Trust Conservancy Board Representative

Members Absent: The Trust Programs Committee Representative and the Regional Planning Committee Representative had not been appointed as of the date of the meeting

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

Others Present: No member of the public was present.

1. CALL TO ORDER

In the absence of an elected Committee Chair, Director Marlor called the meeting to order at 10:01 a.m.

2. ELECTION OF FPC CHAIR AND VICE CHAIR

By General Consent the Committee deferred the election of Chair and Vice Chair until after the representatives from the Trust Programs Committee (TPC) and the Regional Planning Committee (RPC) have been appointed to the Financial Planning Committee (FPC).

Trustee Peterson was nominated and accepted to stand for election to Interim Chair for the purposes of conducting the current meeting, and Director Marlor declared Trustee Peterson Interim Chair by acclamation. Trustee Peterson then acted as Chair for the rest of the meeting.

ADOPTED

3. AGENDA

3.1 Review of the Agenda

The following material was presented for consideration as late items:

- Request For Decision (RFD) from Trustee Yates to Trust Council (TC) for the December 6 TC meeting in regards to In-person TC Meetings in 2023/24.

By general consent the Committee added the RFD from Trustee Yates as agenda item 9.3.6

- RFD from the Executive Committee (EC) to FPC, dated November 25, 2022, in regards to EC 2023/24 budget recommendation changes.

By general consent the Committee added the RFD from EC as agenda item 9.3.7

- A notice of motion from Trustee Boland:
"That Financial Planning Committee recommend to Trust Council that the 2023/24 budget be constrained to last year's budget plus an increase in line with inflation (6.4% as of October 2022)."

Staff advised the Committee that the motion from Trustee Boland can be presented during the budget discussion.

3.2 Approval of Agenda

By general consent the Committee approved the agenda as amended.

4. COMMITTEE ORIENTATION

4.1 FPC Terms of Reference

Director Marlor reviewed highlights of TC Policy 2.3.3, FPC Terms of Reference.

4.2 Committee Toolkit

Director Marlor reviewed the Council Committee Toolkit

4.3 Meeting Orientation

Director Marlor provided orientation on public meetings, discussing quorum, getting items on the agenda, meeting etiquette, making motions, rules of order, and open versus closed meetings.

ADOPTED

The Committee commented on the challenge of identifying if a trustee who does not vote on a motion in an electronic meeting is absent from the meeting or is abstaining from the vote, if their camera is not turned on.

5. PUBLIC COMMENT PERIOD

No members of the public were present.

6. DELEGATIONS

None.

7. CORRESPONDENCE

7.1 October 12, 2022 Letter from Outgoing FPC Chair

Director Mobbs indicated that the letter is addressed to the current term FPC Chair but is useful for all FPC members.

FPC-2022-039

It was MOVED and SECONDED,

that agenda item 7.1, Letter from Outgoing FPC Chair, be added to the next Financial Planning Committee meeting's agenda.

CARRIED

8. ADMINISTRATIVE COORDINATION

8.1 Draft Minutes of Previous Meeting

There were no draft minutes to review as the previous meeting's minutes were approved by the out-going FPC before the end of the term.

8.2 Resolutions Without Meeting

8.2.1 FPC RWM 2022-01: Reschedule Meeting of November 30, 2022 to November 25, 2022

Provided for information

8.2.2 FPC RWM 2022-02: Adopt Draft Minutes of October 12, 2022

Provided for information

8.3 Follow up Action List

Director Mobbs spoke to in-progress items assigned to her role, indicating the planned timeline for various policy review activities to take place in the coming year.

ADOPTED

CAO Hotsenpiller spoke to the item on Cost Recovery Options for Building Permit Reviews, indicating it will need to be discussed more fully with the new FPC when further work has been completed.

Director Frater spoke to the planned work on advocating for legislative change to support a revised distribution special property tax requisitions within a Trust Area, indicating that the current target date for reporting on this work is the February FPC meeting.

Director Frater also spoke to the draft survey for the Budget 2023/24 public consultation (erroneously indicated as “completed” in the FUAL), indicating that current election year budget cycle timelines did not allow for the development of the survey to be presented for the current meeting. It will be provided at the next FPC meeting.

9. BUSINESS – WORK PROGRAM ITEMS

9.1 Q2 September 30 Financial Report - RFD

Finance Officer Roggers introduced the RFD, indicating that 47% of the budget has been spent as of half way through the fiscal year. Committee discussion included:

- The Communications Specialist hiring competition is underway and staff are working on reviewing the applications.
- The Senior Intergovernmental Policy Advisor hiring competition will be posted soon.
- Whether or not there are opportunities to reduce legal expenses which include legal opinions and litigation. It was noted that there is a full review of litigation files in In Camera TC meetings; litigation is mostly triggered by Local Trust Committee land use decisions; and that there is much deviation of expense amounts from year to year.

FPC-2022-040

It was MOVED and SECONDED,

that Financial Planning Committee forward the 'Q2 Financial Report to September 30, 2022' to Trust Council for approval.

During debate the Committee asked whether the language “for approval” is accurate or should be “for review”. It was noted that TC is the body that approves this report and therefore it is accurate to forward the report “for approval” as it does not mean “must approve” but rather it means that TC will review the report and approve if they are satisfied with the report.

The question on the motion was then called.

CARRIED

9.2 Q2 Financial Forecast - Briefing

ADOPTED

Finance Officer Rogers presented the briefing, indicating that historically this forecast is provided to TC for information.

Committee discussion included how funds allocated but not spent are managed.

FPC-2022-041

It was MOVED and SECONDED,

that Financial Planning Committee forward the Q2 Financial Forecast to Trust Council for information.

CARRIED

9.3 2023/24 Budget for Trust Council

9.3.1 Budget Session Outline

Director Mobbs introduced the item, indicating that the Outline is similar to what has been provided in previous years.

9.3.2 Budget Assumptions and Principles (BAP)

Director Mobbs presented the BAP document, stating that it was approved by TC in September and subsequently used as a guide in preparing the draft budget.

The Committee asked for the rationale in the recent addition of items 14, First Nations Engagement and Reconciliation and 15, Engagement and Communication. CAO Hotsenpiller indicated that as Islands Trust was initially learning new ways of engaging with First Nations, there was no referral funding built into previous budgets, and some First Nations are now developing cost recovery programs for all the referrals and enquiries that they are receiving. Including these items in the BAP allows for full cost accounting. He also indicated that the Policy Statement Amendment Project underlined the need for funding to support such major projects to be built into the budget.

The Committee asked whether elements of the Financial Plan approved in March could be included in the BAP to be used as a “target” to help guide FPC in developing a draft budget for the following year. Staff indicated that TC can include any assumption or principle that they wish to embrace in the following fiscal year.

Committee recessed at 11:53 a.m. and returned at 12:26 p.m.

9.3.3 Draft 2023/24 Budget Overview – Briefing

Director Mobbs presented the briefing. Committee discussion included:

- Insurance:

ADOPTED

- Premium costs are substantial because the insurance market has hardened.
- Insurance coverage is purchased primarily for potential litigation taken against IT in regards to land use decisions and bylaw enforcement.
- Litigation expenses can fluctuate widely from year to year.
- Islands Trust typically wins those litigation cases but is awarded only 10% of costs.
- The possibility of self-insurance does exist.
- A project to explore self-insurance with the Municipal Insurance Association of British Columbia is not completed.
- TC would need to assess their risk tolerance in exploring options for self-insurance.
- The surplus/reserve funds can be used for greater than normal legal costs and all draws from surplus/reserve funds need TC approval.
- FPC sets timelines in August of each year for business cases to be submitted and first reviews the business cases in October. As well, a committee can submit a business case at any point in the business cycle.
- The amounts indicated for Secretariat Services need to be corrected.

Trustee Scott left the meeting at 1:20 p.m.

- The budget public engagement survey results are received two weeks prior to the TC making a final decision in regards to the budget.
- The role that FPC plays in drafting a proposed budget that is sent to TC for their review, amendment, and approval.
- The RPC placeholder (no individual business cases) in the draft budget of \$100,000 and 400 hours of staff time is a result of the outgoing RPC wanting to leave decisions about priorities to the new-term RPC which had not been established at the time of budget request drafting.
- Useful information to support FPC decisions in developing a draft budget include the identification of:
 - discretionary and non-discretionary expenses;
 - projects that benefit more than one LTC.
- There is an inherent challenge to central budgeting as each LTC creates their own Official Community Plans, Land Use Bylaws and projects.
- The total cost of all LTC projects accounts for about 6% of a budget increase therefore, as the draft budget increase is approximately 10%, removing all LTC projects would leave a budget increase of about 4%.

9.3.4 Business Cases Not Advanced

This agenda item was included in the agenda for information but was not reviewed at the meeting.

The Committee then addressed item 9.3.6 and 9.3.7 prior to 9.3.5.

ADOPTED

- 9.3.6 RFD from Trustee Yates to Trust Council for the December 6 TC meeting re: In-person TC meetings in 2023/24 (late item)

It was MOVED and SECONDED,

that Financial Planning Committee direct staff to include the budget necessary to allow for four Trust Council in-person meetings in the 2023/24 budget.

FPC-2022-042

It was MOVED and SECONDED,

that Financial Planning Committee amend the motion “that Financial Planning Committee direct staff to include the budget necessary to allow for four Trust Council in-person meetings in the 2023/24 budget” to change to three in-person meetings rather than to four in-person meetings.

DEFEATED

FPC-2022-043

It was MOVED and SECONDED,

that Financial Planning Committee direct staff to include the budget necessary to allow for four in-person meetings in the 2023/24 budget.

CARRIED

- 9.3.7 RFD from the Executive Committee to FPC re: recommended changes to the budget (late item)

FPC-2022-044

It was MOVED and SECONDED,

that Financial Planning Committee amend the draft budget to include \$75,250 for an Administrative Coordinator position.

CARRIED

The Committee then returned to item 9.3.5

- 9.3.5 Special Tax Requisition Request – RFD

FPC-2022-045

It was MOVED and SECONDED,

that Financial Planning Committee recommend to Trust Council that the Salt Spring Island Local Trust Committee’s request for a 2023/24 special tax requisition to fund work associated with delegated powers under Bylaw No.154 be approved in concept, in the amount of \$75,500, and that the project be put forward for public consultation.

CARRIED

Committee recessed at 3:07 p.m. and reconvened at 3:17 p.m.

Trustee Graham left the meeting at 3:07 p.m.

ADOPTED

The Committee returned to agenda item 9.3 in general.

9.3 2023/24 Budget for Trust Council

It was noted that the FPC recommendations to Trust Council could be delivered at a later date but doing so would provide less time for TC members to consider those FPC recommendations prior to the TC meeting in December.

It was MOVED and SECONDED,
that Financial Planning Committee recommend to Trust Council that the Regional Planning Committee placeholder amount be reduced from \$100,000 to \$50,000.

FPC-2022-046

It was MOVED and SECONDED,
that the motion “that Financial Planning Committee recommend to Trust Council that the Regional Planning Committee placeholder amount be reduced from \$100,000 to \$50,000” be changed to “that Financial Planning Committee direct staff to adjust the Regional Planning Committee placeholder amount to \$50,000.”

CARRIED

The question on the motion, as amended, was then called.

FPC-2022-047

It was MOVED and SECONDED,
that Financial Planning Committee direct staff to adjust the Regional Planning Committee placeholder amount to \$50,000.

CARRIED

FPC-2022-048

It was MOVED and SECONDED,
that Financial Planning Committee direct staff to adjust the budget for specific LTC projects be capped at \$250,000 (not including the special tax requisition of \$75,000 for SSIWPA), and that Regional Planning Committee work with the Director of Planning/Regional Planning Team to allocate those funds.

CARRIED

FPC-2022-049

It was MOVED and SECONDED,
that Financial Planning Committee direct staff to adjust the budget for the Policy Statement Amendment project to be capped at \$50,000 and that options be provided to Trust Council to adjust the scope of work pending approval of the budget in due course.

CARRIED

FPC-2022-050

ADOPTED

It was MOVED and SECONDED,
that Financial Planning Committee direct staff to reduce the salaries budget by \$100,000 to acknowledge anticipated staff turnover and periodic vacancies in line with historical staffing realities and that the Budget Assumptions and Principles be amended to reflect this assumption.

CARRIED

Committee recessed at 4:34 p.m. and reconvened at 4:40 p.m.

9.4 2023/24 Budget Public Consultation Program - Briefing

Director Frater presented the briefing, indicating that public consultation is not a legislated requirement. She also indicated that surveys are a more efficient method to gauge public sentiment than collecting emails, interpreting the contents, redacting where necessary and creating a document of those emails for attachment to a meeting agenda.

10. BUSINESS – OTHER

10.1 FPC Draft Meeting Schedule for 2023 - RFD

Director Mobbs introduced the RFD, indicating that the proposed schedule coordinates with TC meetings and Executive Committee meetings. She noted staff's recommendation for the Committee to continue meeting electronically to reduce expenses, reduce trustee travel time, reduce staff travel and planning time, and reduce greenhouse gas emissions.

FPC-2022-051

It was MOVED and SECONDED,
that Financial Planning Committee adopt the proposed meeting dates for the 2023 calendar year as presented.

CARRIED

FPC-2022-052

It was MOVED and SECONDED,
that Financial Planning Committee direct staff to schedule all 2023 FPC meeting dates as electronic meetings.

CARRIED

11. BUSINESS - NEW

None.

12. WORK PROGRAM

Director Mobbs spoke to the agenda item.

ADOPTED

FPC-2022-053

It was MOVED and SECONDED,

that Financial Planning Committee forward its work program as presented to Trust Council for approval.

CARRIED

13. NEXT MEETING

Wednesday, January 18, 2023, from 10:00 a.m. to 3:00 p.m.

14. CLOSED MEETING

The Committee did not close the meeting.

15. RISE AND REPORT

As the Committee did not close the meeting, there was no need for the Committee to discuss this option.

16. ADJOURNMENT

By general consent the meeting adjourned at 5:02 p.m.

Trustee Peterson, Interim Chair

Certified Correct:

Robert Barlow, Legislative Services Clerk/Recorder