



Financial Planning Committee Minutes of Regular Meeting

Date of Meeting: January 18, 2023
Location: Electronic Meeting

Members Present: Joe Bernardo, Local Trustee
Mairead Boland, Local Trustee
Tobi Elliott, Executive Committee Representative
Kristina Evans, Trust Programs Committee Representative
David Graham, Local Trustee
Peter Luckham, Executive Committee Representative
David Maude, Executive Committee Representative
Laura Patrick, Regional Planning Committee Representative
Tim Peterson, Executive Committee Representative

Member Regrets: Grant Scott, Islands Trust Conservancy Board Representative

Staff Present: Russ Hotsenpiller, Chief Administrative Officer
Julia Mobbs, Director, Administrative Services
Clare Frater, Director, Trust Area 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

Interim Chair Peterson called the meeting to order at 10:07 a.m. and acknowledged that participants of the meeting were on the traditional and treaty territories of many First Nations.

Chair Peterson addressed agenda item #3 and #4 prior to agenda item #2.

3. AGENDA

3.1 Review of the Agenda

The following material was presented for consideration as a late item to be added to agenda item 8.2.1:

- Budget revision proposal from Trustee Boland that includes two documents: “Budget Revision Motion” and “Potential Savings”

Committee discussion included the process for managing late items.

ADOPTED

3.2 Approval of Agenda

By general consent the Committee approved the agenda as amended.

Trustee Graham joined the meeting at 10:20 a.m.

4. PUBLIC COMMENT PERIOD

No members of the public were present.

2. COMMITTEE ELECTIONS AND APPOINTMENTS

2.1 Election of FPC Chair and Vice-Chair

It was noted that as per the FPC Terms of Reference (Trust Council Policy 2.3.3), the three trustees appointed to Committee membership by the Chair of Trust Council, being Trustees Bernardo, Boland and Graham, were eligible to stand for Chair.

Director Frater described the election process and initiated the election for the FPC Chair. Trustees Bernardo and Graham were nominated for Chair. Trustee Bernardo accepted his nomination; Trustee Graham declined his nomination.

Director Frater declared Trustee Bernardo Chair by acclamation.

Trustees Boland and Graham were nominated for Vice-Chair. Trustee Boland accepted her nomination; Trustee Graham declined his nomination.

Director Frater declared Trustee Boland Vice-Chair by acclamation.

Trustee Bernardo assumed the role of FPC Chair for the remainder of the meeting.

2.2 Appointment of the Audit Committee

Director Mobbs spoke to the agenda item, indicating that previous normal practice is for all members of FPC (except the Executive Committee members who are excluded from membership) to be appointed to on the Audit Committee.

FPC-2023-001

It was MOVED and SECONDED,

that Financial Planning Committee appoint Trustees Bernardo, Boland, Evans, Graham, Patrick and Scott to the Audit Committee for the 2022 to 2026 term.

During debate the Committee discussed the possibility of a Governance Committee (GC) representative on the FPC and the Audit Committee. A disparity was noted between Trust Council Policy 2.3.3 (FPC Terms of Reference), and Trust Council policy 2.3.1 (Council Committee System), whereas one provides for FPC membership to the Governance Committee Chair while the other does

ADOPTED

not. The Committee acknowledged that, once a determination on the matter is made by Trust Council, there may be a further appointment to the FPC and the Audit Committee of the Governance Committee Chair.

The question on the motion was then called.

CARRIED

5. DELEGATIONS

None.

6. CORRESPONDENCE

6.1 October 12, 2022 Letter from Peter Grove, Chair of Previous Term's FPC to Chair of Current Term's FPC

It was noted that the letter was deferred from the November 25, 2022 meeting. Received for information.

The Committee returned to agenda item #2.

2. COMMITTEE ELECTIONS AND APPOINTMENTS

2.2 Appointment of the Audit Committee

FPC-2023-002

It was MOVED and SECONDED,

that Financial Planning Committee request staff to investigate policy regarding FPC membership with respect to Council Standing Committee appointments, and report back to Trust Council with recommendations for policy amendments.

CARRIED

7. ADMINISTRATIVE COORDINATION

7.1 Draft Minutes of Previous Meeting

7.1.1 Financial Planning Committee minutes of November 25, 2022

By general consent the Committee approved the minutes as presented.

7.2 Resolutions Without Meeting

None.

7.3 Follow up Action List (FUAL)

ADOPTED

CAO Hotsenpiller spoke to exploring option A for Building Permit Review cost recovery, indicating that he has had several initial discussions with other local governments and is continuing to do so. Committee discussion included:

- Islands Trust does not manage the building permit process but other local governments do and levy fees to support all aspects of that process
- Islands Trust does not have a fee to cover the responsibility to ensure that a building permit complies with the relevant OCP and LUB

The Committee discussed the format of the FUAL, noting that:

- the FUAL has been used to track directions and decisions including those that do not have an assigned budget
- the possibility of estimating and tracking staff time and other resources for FPC projects to include on the FUAL
- Chair Bernardo suggested that Trustee Evans and Boland discuss with staff additional information that could be provided within a FUAL.

Director Frater spoke to options regarding legislative changes to support a revised distribution of special property tax requisitions within a Trust Area and indicated that it is likely to be later in the year when she can provide those options to the Committee.

Director Mobbs spoke to the review of three Trust Council Policies and indicated that she hopes to provide material to the Committee in August.

8. BUSINESS – WORK PROGRAM ITEMS

8.1 Changes to the Budget Since the Last Review

Director Mobbs presented the briefing. Committee discussion included:

- the meaning and significance of changes to the BC Assessment Non-Market Change data for the Trust Area
- questions on the policy that guides the minimum balance to be held in the general revenue surplus fund
- an acknowledgement that the general purpose of the minimum balance is to fund operations between fiscal year-end and receipt of property tax revenues, as well as holding funds for significant unexpected events such as a pandemic
- the potential for self-insurance and a requisite separate reserve or contingency fund

8.2 Budget 2023/24, Draft 2, Version 1

The Committee reviewed the business case presented for a Manager of Finance and Accounting full-time position. Committee discussion included:

- the impact of this potential new position on the budget and on the positive impact it might have in maintaining financial rigour and effective financial planning
- the implications of other options such as retaining current levels of staffing, hiring part-time position and use of contractors
- the experience and qualifications that would be needed for the position

ADOPTED

Committee recessed at 12:20 and returned at 1:00 p.m.

The Committee reviewed the budget revision proposal, "Potential Savings", presented as a late item by Vice-Chair Boland, who indicated that the purpose of the document is to reduce the budget by approximately 3% in order to avoid or minimize any potential tax increase. Committee discussion included:

- impacts of reducing, deleting or "suspending" items from the draft budget
- impacts of new residents/new developments
- impacts of staff salary and wages increases
- impacts of interest rates and cost of living increases
- appropriate use of surplus funding
- need for "strategic thinking" particularly in regards to identifying which activities/projects directly or indirectly fulfill the mandate
- whether Islands Trust Conservancy requests need to be assessed by Trust Council rather than FPC
- the value of not funding activities or projects that will be undertaken nonetheless
- the value of not funding projects that have not been completed yet
- the possibility of doing "less" but doing it well
- some OCP reviews in the past have been done directly by the community on some small LTAs with little outside support
- the appropriate function of FPC in budget development. For example, whether the role of FPC is to minimize taxes by reducing the budget or to identify what are the most important activities/projects that need to be done and to create a budget based on those activities
- possibility of requesting all LTCs and other Committees to reconsider their budget requests and to improve the business cases they have provided
- some impetus to create new staff positions is because of the lack of staff to do essential work
- the impossibility to simply shift work on particular projects to other staff who may not have the expertise
- there are increasing expectations from First Nations to receive capacity funding to engage in OCP and LUB reviews and other referrals
- the \$30,000 within the Reconciliation Action Plan is to develop relationships and protocol agreements with First Nations
- the lack of individuals living on the islands who wish to be minute takers has resulted in that responsibility being shifted to administrative staff which takes away from their capacity to do their own job
- most of the items listed on the "Potential Savings" document relate to Trust Council Committees and not the Local Trust Committees

Trustee Maude left the meeting at 3:26 p.m.

- potential messages to the committees that have provided business cases include:
 - review the amount requested
 - is it accurate or can it be lessened?

ADOPTED

- can it be deferred to another year?
- is it a priority?
- are there other opportunities to reduce the budget?

FPC-2023-003

It was MOVED and SECONDED,

that Financial Planning Committee request that Regional Planning Committee, Trust Programs Committee, Governance Committee, Executive Committee, Islands Trust Conservancy Board and staff review the budget areas in the draft budget revision list proposed by a trustee on January 18, 2023, and not yet voted on by FPC, and propose possible reductions for FPC's consideration and respond with their respective views by February 7, 2023.

CARRIED

8.3 Special Tax Requisition Request – RFD to Trust Council dated December 7, 2022

It was noted that the item is for information only as Trust Council has approved this project in concept and is being put forward to the public for consultation and that no action is required by FPC until that consultation is completed.

8.4 2023/24 Budget Public Consultation Program - RFD

Committee discussion included:

- timing of asking public input on a draft budget before a draft budget has been adopted by Trust Council
- public engagement on a proposed annual budget is optional and not required by legislation
- most municipalities do outreach in the Spring with a different kind of survey that provides an opportunity at the start of a budget cycle to comment on priorities and service levels
- the perception of the public if there is no consultation survey
- posting to the website for transparency the highlights of a draft budget is not the same as consultation
- possibility of other committees to review the survey questions

FPC-2023-004

It was MOVED and SECONDED,

that Financial Planning Committee does not initiate a budget public consultation survey for the 2023/24 draft budget.

CARRIED

Committee recessed at 4:22 p.m. and returned at 4:27 p.m.

9. BUSINESS – NEW

ADOPTED

Trustee Evans provided notice of a motion for the next meeting in regards to “releasing the draft budget after the February meeting along with a highlighted areas of increase.”

10. NEXT MEETING

Tuesday, February 14, 2023, from 10:30 a.m. to 3:00 p.m. It was noted that the Audit Committee will meet on the same day from 10:00 a.m. to approximately 10:30 a.m.

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 need for the Committee to discuss this option.

13. ADJOURNMENT

By general consent the meeting adjourned at 4:34 p.m.

Trustee Bernardo, Chair

Certified Correct:

Robert Barlow, Legislative Services Clerk/Recorder