



Islands Trust Council Special Electronic Meeting

Date: April 20, 2020 1:00 pm
Location: Victoria Boardroom
#200 - 1627 Fort Street, Victoria BC

1. CALL TO ORDER

2. APPROVAL OF AGENDA

2.1 Introduction of New Items

2.2 Approval of Agenda

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2.2.1 Agenda Context Notes

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Provided for information and background to agenda items as indicated.

3. BUSINESS ITEMS

3.1 Proposed Procedure for amending Financial Plan Bylaw - Briefing

2

See also Agenda Context Notes 2.2.1.

3.2 2020/21 Financial Plan Considerations Re: COVID-19– RFD

4

See also, Agenda Context Notes 2.2.1.

Recommendation from Financial Planning Committee:

That Trust Council amend the 2020/21 Financial Plan Bylaw No. 178 to reduce the property tax requisition to a 0% increase from last year and that this be achieved through reducing planned expenditures.

3.3 Financial Plan Bylaw No. 178 (Re-open and amend) – RFD

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See also Agenda Context Notes 2.2.1.

1. That Islands Trust Council rescind the Third Reading of Islands Trust Council Bylaw 178, cited as the “Financial Plan Bylaw, 2020/21”;
2. That Islands Trust Council amend Schedule A of Bylaw 178, cited as the “Financial Plan Bylaw, 2020/21” as resolved;
3. That Islands Trust Council Bylaw 178, cited as the “Financial Plan Bylaw, 2020/21” be Read a Third Time.
4. That Islands Trust Council Bylaw 178, cited as the “Financial Plan Bylaw, 2020/21” be forwarded to the Minister of Municipal Affairs and Housing for approval consideration.

3.4 Cancellation of the in-person June Trust Council meeting – RFD

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See also Agenda Context Notes 2.2.1.

That the June 16-18, 2020 in-person Trust Council meeting on Hornby Island be cancelled.

4. NEW BUSINESS

5. ADJOURNMENT

Agenda No.	From	Context Notes
3.1	EC/LSM	This report was provided to Executive Committee on April 15 and provides context for Trust Council with regard to the process of amending the Financial Plan.
3.2	CAO	<p>Since mid-March, Executive Committee and staff have been reviewing options to reduce costs and possibly the tax requisition given the exceptional circumstances that communities are currently dealing within the Trust Area.</p> <p>Executive Committee requested that FPC review options to reduce the 2020/21 tax requisition, which they have done. FPC have subsequently provided a recommendation to Trust Council to reduce the tax requisition, which is the subject of the report in this agenda package.</p> <p>Accordingly, a Special Electronic Meeting of Trust Council is required in order to rescind 3rd Reading of the financial plan bylaw and amend and approve a new 3rd Reading which would be forwarded to the minister for approval. Once approved by the Minister the requisition would be forwarded to the Surveyor of Taxes. This cannot be done by RWM as passage of 2nd and 3rd Reading requires a full consideration/debate of Council. Time is of the essence as we need to provide any new bylaw to the Minister by the 25 of April.</p>
3.3	DAS	<p>This item to be addressed pending Council decision on Item 3.2.</p> <p>As a matter of process, please note that the Islands Trust Financial Plan Bylaw No. 178 has been amended to reflect the recommendation of FPC at Item 3.2. The amended bylaw is put before Trust Council for Third Reading. Different courses of action may follow should Trust Council reach a decision that differs from the FPC recommendation:</p> <p>a) If a decision is made not to amend the bylaw, item 3.3 will be skipped over;</p> <p>b) If a decision is made to amend the bylaw in a manner that differs from what FPC has recommended, Trust Council will recess so staff can amend the bylaw as resolved, and will reconvene for Third Reading.</p>
3.4	CAO	It is not realistic to consider a live Trust Council meeting on Hornby Island in June so consideration to cancel the June Trust Council meeting is timely. The intention of Executive Committee is to replace that meeting with an electronic meeting, the details of which are being worked out. A subsequent RWM to conduct a regular electronic meeting of Trust Council will follow shortly.

BRIEFING

To:	Trust Council	For the Meeting of:	April 20, 2020
From:	Executive Committee, Carmen Thiel Legislative Services Manager	Date Prepared:	April 9, 2020
SUBJECT:	Proposed Procedure for Amending Trust Council Financial Plan (Budget) Bylaw for Fiscal Years 2020/21 through 2025/26		

PURPOSE: To provide recommended steps for Trust Council to follow if a decision is made to amend Trust Council's Financial Plan Bylaw for FY 2020/21 through 2025/26, to reduce the proposed tax increase to 0%, given the provincial emergency due to the COVID-19 pandemic.

BACKGROUND:

During the Provincial emergency, protective measures have been put in place by Provincial emergency orders. These include making gatherings of 50 people or more illegal, requiring physical distancing of 2 metres, and limiting travel on ferries and travel generally.

Given these limitations, staff recommends the following process for Trust Council to hold a special electronic meeting to consider amendments to its Financial Plan bylaw, which currently sits with the Ministry of Municipal Affairs and Housing for ministerial approval.

1. Trust Council's meeting procedures bylaw provides for the following:
 - a. A special meeting of Council to deal with urgent new business may be conducted entirely by means of electronic communication;
 - b. Calling a Special *Electronic* Meeting: The Executive Committee may direct that a vote be conducted by Resolution Without Meeting (RWM) for Trust Council to call a special electronic meeting;
 - c. If the RWM is passed by a majority of trustees, the secretary gives notice of the special electronic meeting to trustees and the public – at least 48 hours before the time of the meeting.
2. The Islands Trust Act stipulates that RWM's cannot be used for giving 2nd and 3rd readings to Trust Council bylaws.
3. Under normal circumstances, a special electronic meeting notice must specify a physical location where the public can hear, or watch and hear, the meeting participants. However, on April 8, 2020, staff of the Ministry of Municipal Affairs and Housing (MAH) advised the Director of Administrative Services:

“that they are adopting a policy that considers Islands Trust as a Regional District for the purposes of the Emergency Ministers Order, which grants the ability to conduct business without the requirement for public meetings”.

4. In light of this announcement by MAH staff, if Trust Council wished to consider reducing the proposed tax increase, and approved a special electronic meeting for this purpose, without the requirement to conduct the meeting in public, Trust Council could amend the current Financial Plan Bylaw at the meeting by:
- rescinding 3rd reading of Bylaw 178;
 - amending Schedule A of Bylaw 178;
 - giving 3rd reading to the bylaw, as amended; and
 - resubmitting it for the Minister's approval.

The requisition deadline is **April 25, 2020** so time is of the essence if the bylaw is to be amended.

ATTACHMENT(S): none

FOLLOW-UP:

Recommendations of the Executive Committee would be communicated to Trust Council for consideration.

Prepared By: Carmen Thiel, Legislative Services Manager

Reviewed By/Date: Russ Hotsenpiller, CAO

REQUEST FOR DECISION

To: Trust Council **For the Meeting of:** April 20, 2020
From: Financial Planning Committee **Date Prepared:** April 14, 2020
SUBJECT: 2020/21 Financial Plan Considerations re: COVID-19
2020/21 Financial Plan Bylaw Amendment

RECOMMENDATION:

That Trust Council amend the 2020/21 financial plan bylaw to reduce the property tax requisition to a 0% increase from last year and that this be achieved through reducing planned expenditures.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

Staff believes that there are real savings being realized by the reduction in travel and other first quarter expenses to the degree that reduction of taxation to approximately 2% would not affect current operations, programming or the delivery of the strategic direction of Trust Council.

1 PURPOSE:

To seek a Trust Council decision related to the possibility of amending the 2020/21 budget to provide a measure of relief to island property owners in light of financial difficulties arising from the COVID-19 pandemic.

2 BACKGROUND:

At their meeting on April 8, 2020 Executive Committee (EC) discussed the possibility of amending the Islands Trust 2020/21 budget to account for potential savings to be realized in the first quarter of the year due to the change in operations as a result of the Covid-19 pandemic. After reviewing possibilities, EC referring the topic to Financial Planning Committee (FPC) for input:

EC-2020-048

That Executive Committee postpone resolution EC-2020-047 to the April 15th Executive Committee meeting and refer this matter to the Financial Planning Committee.

FPC convened on April 14th to review the attached reports and passed the following motion:

FPC-2020-016

That the Financial Planning Committee recommend that Trust Council amend the 2020/21 financial plan bylaw to reduce the property tax requisition to a 0% increase from last year and that this be achieved through reducing planned expenditures.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL:

Staff will amend the 2020/21 Financial Plan Bylaw to reflect changes as directed by FPC and forward to TC as needed. Any changes made to the bylaw by TC will be resubmitted to the Minister for consideration and approval.

FINANCIAL:

A reduction in the 2020/21 budget to reflect anticipated savings, with a corresponding reduction in the property tax levy for LTAs and for BIM will have no financial impact on the operations of Islands Trust.

POLICY:

Trust Council policy 6.5.2 *Budget Control and Adjustment Authority* does not contemplate reductions to revenue sources, but rather discusses amendments due to overspending and spending allocation changes. There is no policy guiding financial plan bylaw amendments as it relates to amending the amount of property taxes to be requisitioned, however MAH informs Islands Trust that a bylaw amendment would be required prior to the tax requisition submission in order to make this change.

IMPLEMENTATION/COMMUNICATIONS:

Any amendment to the 2020/21 Financial Plan Bylaw for a requisition figures will require a special electronic meeting of Trust Council, where the following would take place:

- ~ rescinding 3rd reading of Bylaw 178;
- ~ amending Schedule A of Bylaw 178;
- ~ giving 3rd reading to the bylaw, as amended; and
- ~ resubmitting it for the Minister's approval.

FIRST NATIONS: None.

OTHER: None.

4 **RELEVANT POLICY(S):** None.

5 **ATTACHMENT(S):**
COVID-19 Financial Plan Considerations UPDATED

RESPONSE OPTIONS

Recommendation:

That Trust Council amend the 2020/21 financial plan bylaw to reduce the property tax requisition to a 0% increase from last year and that this be achieved through reducing planned expenditures.

Alternatives:

That Trust Council amend the 2020/21 financial plan bylaw to reduce the property tax requisition by a different amount, through a further reduction in planned expenditures or an additional draw from surplus.

That Trust Council make no amendment to the 2020/21 Financial Plan Bylaw to reduce the property tax requisition for the 2020/21 year.

Prepared By: Julia Mobbs, Director, Administrative Services
Reviewed By/Date: Russ Hotsenpiller, Chief Administrative Officer/April 12, 2020

BRIEFING

To:	Executive Committee	For the Meeting of:	April 8, 2020
From:	Julia Mobbs, Director, Administrative Services	Date Prepared:	April 7, 2020
SUBJECT:	2020/21 Financial Plan Considerations Re: Covid-19		

The following was updated on April 12, 2020 to account for new information before it was sent to Financial Planning Committee for consideration.

PURPOSE:

To provide Executive Committee with a summary of information related to potential budget changes for the 2020/21 year, and/or potential taxation changes, and the options available to affect change to one or both of these items.

BACKGROUND:

With the number of business closures and citizens out of work increasing due to the Covid-19 pandemic, concerns about how individuals and businesses will be able to pay their bills is of growing concern. Federal and provincial governments have provided relief measures to address some of these concerns, and government-affiliated organizations such as BC Hydro and Fortis BC have also implemented payment deferral plans, as well as some rate adjustments. Questions have been raised in community and by some trustees as to whether or not Islands Trust is able to contribute to relief measures by reducing or deferring property taxes for the 2020/21 year. This report explores whether or not the Trust is able to provide any relief measures at this time.

Ability and Methods to Affect Taxation Changes

Property tax due date amendment:

The provincial surveyor of taxes is responsible for the requisition and collection of taxes on behalf of Islands Trust, as well as other government agencies like Regional Districts and Improvement Districts. Given this, the ability of tax collection date extensions does not lie with Islands Trust, but with the Surveyor. Islands Trust has no ability to affect this decision for itself, except possibly to work with other agencies to advocate for a change.

Staff at the surveyor have relayed the following information pertinent to Islands Trust:

- ~ School taxes for property classes 4, 5, and 6 have been reduced by 50%. This will not impact many gulf island residents.
- ~ Discussion of a collection date change is being explored, however there is no indication of whether or not these discussions will lead to amendments. It is noted however, that if any date changes were to be made, they would likely be applied to all property classes and to all jurisdictions for which the surveyor collects taxes. Currently the intent is to requisition within normal timelines and apply a collection deadline of July 2, 2020 as per usual.

- ~ All usual and customary property tax deferral plans are still available to the public.
- ~ Regardless of whether or not payment due dates remain status quo or are extended, Islands Trust will receive the full amount of its tax requisition within normal timelines (usually end of July) as liquidity of local governments remains a primary consideration for the province.
- ~ The Islands Trust requisition submission due date is April 25, 2020, with a possible very short window of extension if absolutely needed.

Property tax reduction – method of achievement:

Trust Council has approved the five-year financial plan bylaw which has been submitted to the Minister for consideration and approval. This bylaw was approved by Trust Council before the Covid-19 pandemic began to take a real financial toll on communities and individuals. Consequently, it reflects a 2.0% increase in property taxes over the previous year's budget excluding additional tax revenues from NMC factors.

Any opportunity to amend or remove the increase and reduce taxation levels overall would require a 2020/21 Financial Plan bylaw amendment, to ensure taxation levels approved and communicated to the provincial Surveyor by the Minister agree with amounts requisitioned by Islands Trust staff.

Property tax reduction – maintaining planned expenditures, but increasing the draw on surplus funds to affect a reduction in taxes:

If planned spending remains at previously approved levels, but a reduction in property taxes is desired, Trust Council could approve an increased draw from surplus funds for the amount of desired taxation reduction. Note this would put the surplus balance below the minimum balance recommended by Trust Council policy 6.5.1 *Reserves and Surplus*, which was currently anticipated to be between 93% - 95% depending on the financial results of 2019/20.

Based on approved spending levels, the minimum recommended surplus balance is \$1.87M. For every additional \$50,000 draw from surplus funds, the minimum balance will be reduced by approximately 2.67%. To fully cover the planned 2.0% increase in taxation an additional draw from surplus of \$133,935 would be required, which would further reduce the minimum surplus balance by approximately 7.1% to land at 86% - 88% of the recommended balance. Reducing planned spending for any anticipated savings or other changes mitigates this impact.

Any additional draw from surplus to reduce the LTA tax levy would also reduce the BIM levy by affording a credit calculated as follows: [\$ amount of surplus draw] x 27.5% x 18.6%. Generally, for every \$100,000 draw assigned to general operations, BIM would receive a credit of ~\$4,800 with the remaining ~\$95,200 credited to the LTA tax levy.

This minimum balance is set to ensure Islands Trust can maintain operations for the window of time between the start of the fiscal year (April 1) and the date of receipt of taxation (July). Analysis of surplus balances (A) and cash and short term investment balances (B) at June 30 of the last several years shows the following:

(A)	
June 30, 2019 =	\$1.0M
June 30, 2018 =	\$1.2M
June 30, 2017 =	\$1.3M
June 30, 2016 =	\$1.06M
(B)	
June 30, 2019 -	\$2.3M
June 30, 2018 –	\$2.7M
June 30, 2017 –	\$2.9M
June 30, 2016 –	\$2.2M

Cash and short term investment balances are generally a more appropriate reflection of liquid resources available for spending than surplus balances are, so these figures would be more reliable in determining the short term liquidity of Islands Trust. Consequently, there appears to be little to no risk to Islands Trust in the next year should an additional draw on surplus be made. However, replenishing this balance in future years would require contributions to surplus which would require either increased taxation in future years or reduced spending. It is, in effect, a borrowing of funds from self that will need to be paid back if current policy minimums are to be maintained. Thus, it is a short-term solution with longer-term impacts to consider.

Property tax reduction – reducing planned expenditures to affect a reduction in taxes:

A reduction in planned spending will naturally result in less revenues required to balance the budget, and can reduce the tax levy to islanders. In normal circumstances, a reduction in planned spending would potentially result in a reduction in achievable work deliverables. However, in light of recent and wide-sweeping changes in how communities and Islands Trust are conducting business due to the pandemic, Islands Trust will be realizing costs saving for the first quarter of fiscal 2020/21. Areas of saving will include significantly reduced travel expense due to travel restrictions, savings in training and related travel costs due to cancelled conferences and courses, savings in meeting expenses due to LTC meeting cancellations, potential electronic LTC meetings, the potential cancellation or electronic conducting of the June 2020 Trust Council meeting, and no all staff meetings conducted in person. Based on adjusted actual figures from the first quarter of 2019/2020 (considered a fair representation of the first quarter of the current year), this could amount to a total of ~\$126,000 in savings (see attachment). In addition, the decision has been made to forgo hiring a LPS co-op student this year, which further increases savings by \$18,000 for a total of approximately ~\$144,000. This represents 108% of the planned 2.0% increase, which amounted to \$133,935 in the approved budget. Note this does not include additional tax revenue anticipated from new properties/construction (1.3% or \$86,388 in the approved budget).

Staff do not yet know the potential for cost increases due to the pandemic, particularly as it relates to unplanned computer hardware and software purchases, as well as IS support as the organization learns to conduct itself more remotely. However, it is believed these increases will be minimal, well under \$5,000 based on recent estimates from the IS team.

It is worth noting that a significant amount of the potential savings relate to training and travel for training costs (~\$35,000) which may be incurred later in the year. This would reduce the potential savings to ~\$109,000 (82% of the dollar value of the 2.0% increase). With these factors in mind, the ~\$144,000 would be considered a top-of-range estimate of Q1 savings as it does not remove the impact of potential spending increases or spending that may end up deferred rather than saved. If changes in operations continue beyond Q1, additional savings would be realized that have not been contemplated on this analysis.

Impact to BIM

If budgeted expenses are reduced for the potential savings identified in Q1 (\$144,184), the tax levy to BIM will decrease to \$303,026, down \$9,861 from the previous figure of \$312,887. The following would result:

Reduction in BIM tax levy	\$ 9,861
Reduction in LTAs tax levy	134,323 (note 1)
Total tax/expense reduction	\$ 144,184

Note 1 - This LTA tax levy reduction is \$388 short of the total 2% increase in the approved budget. This amount could be removed by way of additional minor travel adjustment to LPS to bring remaining balance to nil. This would not impact operations.

The 2020/21 approved levy of \$312,887 has been communicated to BIM for purposes of requisition. Discussion with the CFO at BIM indicates a short window of time available to communicate changes to this levy before their requisitions go to print. Communication by April 15th is the ideal situation, but can be furthered delayed to April 20th. Staff will remain in communication with BIM as discussion unfolds around this topic.

Property tax reduction – the figures:

Local trust area property tax is approved in the current financial plan at \$6,917,075 for 2020/21. For information and to facilitate further conversation if desired, the following reflects various percentages of this figure:

Reduction %	Reduction \$
0.50%	34,585
1.00%	69,171
1.50%	103,756
2.00%	138,342
2.50%	172,927
3.00%	207,512
3.50%	242,098
4.00%	276,683
4.50%	311,268
5.00%	345,854

ATTACHMENT(S):

- 1. Potential Q1 Savings based on Prior Year (adjusted) Actuals**
- 2. RD Covid Circular April 2020**

FOLLOW-UP: As directed.

Prepared By:	Julia Mobbs, Director, Administrative Services/April 7, 2020
Updated by:	Julia Mobbs, Director, Administrative Services/April 12, 2020
Reviewed By/Date:	Russ Hotsenpiller, Chief Administrative Officer/April 7, 2020
Updated by/Date:	Russ Hotsenpiller, Chief Administrative Officer/April 12, 2020

Islands Trust Potential Savings from Adjusted Work Environment

Assumes Q1 2019/20 is an appropriate representation of Q1 2020/21. Adjustments are made to account for:

- ~ reduced TC meeting budget in 2020/21 compared to 2020 Q1 actuals;
- ~ adjusted to reflect savings from cancelled Salish Sea conference (amount not in 2020 Q1 actuals)
- ~ some items adjusted on a pro-rated basis to reflect differing budgets between 2019/20 and 2020/21.

Description	2019/20 Q1	2020/21 Q1
	Actuals	Potential Savings
Expenses		
Trust Council	43,924	30,981
Executive Committee	8,887	13,885
Trust Area Services	2,460	2,283
Total Council Expenses	55,271	47,149
Local Planning Services		
Local Trust Committees	21,912	21,912
Planning Staff	26,520	24,995
LPS Facilities	1,296	1,727
Bylaw Enforcement	10,139	9,353
Total Local Planning Services Expenses	59,867	57,987
Trust Conservancy		
Operations	5,122	4,586
Total Trust Conservancy Expenses	5,122	4,586
General Admin		
Executive Office	6,551	6,343
Admin Services	2,717	2,609
Office Operations	6,826	6,826
Information Systems	695	683
Total General admin	16,790	16,460
		-
		-
Total based on 2019/20 Q1 figures	137,049	126,183
LPS co-op - no longer hiring		18,001
TOTAL POTENTIAL SAVINGS IN 2020/21 Q1		144,184
Remove Training + Travel for Training if deferred only		(34,702)
Net savings if training deferred not saved		109,482

108% of the 2% increase

82% of the 2% increase



Circular No. 20:12

April 2, 2020

To: All Regional District Financial Administrators

Re: Regional District Budgeting, Requisition, and Financial Reporting During Covid-19

The Ministry recognizes that the current Covid-19 situation creates questions and concerns about regional finance issues and may place administrative burdens on local governments. This circular sets out some things that the Ministry is doing in response, and some suggestions for what you can do right now.

We support your focus right now on the budget and tax requisition cycle because collection of tax revenue is imperative for continuity of regional operations. When considering regional operations and capital for the remainder of the year, I encourage you to practice good financial management, including: maintaining a strong level of cash assets, prioritizing core regional operations, and possibly deferring non-essential capital expenditures until this event passes.

To help you in this focus, this year the ministry will not be enforcing the statutory deadlines for audited financial statements and Local Government Data Entry (LGDE) forms, which are normally due on or before May 14 of each year. If you need to, you can defer these reports until later in the summer. If your regional district does have the resources to complete the submission on time, that would be helpful – but again, focus should be first on the budget and requisition cycle.

If the Covid-19 situation has impaired your normal budgeting process, please remember that you can adopt your 2020-24 financial plan based on year-two of your previous year's plan, with whatever alterations you deem appropriate for the upcoming year.

As some of you may be aware, the Federal Government recently launched the "COVID-19 Economic Response Plan", which provides certain forms of relief to residents and businesses in your community. For more information on this plan, please go to <https://www.canada.ca/en/department-finance/news/2020/03/canadas-covid-19-economic-response-plan-support-for-canadians-and-businesses.html>.

The Province also recently announced a \$5 billion suite of actions in the near term called the “Covid-19 Action Plan”. Including, “Business and light and major industry property classes will see their school property tax cut in half for the 2020 tax year, providing \$500 million in relief for business that own their property and for tenants on triple-net leases.” And, “Payments for Provincial Sales Tax (PST), employer health tax, municipal and regional district tax (hotel tax), carbon tax, motor fuel tax and tobacco tax are also deferred.” For more information on this plan, please go to <https://news.gov.bc.ca/releases/2020PREM0013-000545>.

As you are likely aware, on March 26, the Honourable Mike Farnworth the Minister of Public Safety and Solicitor General issued Ministerial Order (Order M083) under the Emergency Program Act to support the Provincial Health Officer and ensure joint, coordinated efforts among all governments in responding to the COVID-19 pandemic. Order M083 enables local governments to hold meetings electronically and without the public present and provides flexibility to adopt bylaws in one day. The full text of Order M083 can be found online at: http://www.bclaws.ca/civix/document/id/mo/mo/2020_m083.

Should you require further information, please contact your provincial analyst at <https://contacts.localgovernmentinformationsystem.gov.bc.ca/lgics.aspx>.

Also, I am encouraging all local governments, where possible, to submit their bylaws and LGDE reports electronically. We can still receive manual submissions (through mail), but the processing of mailed documents will take longer. Financial reports can be emailed to LGDE@gov.bc.ca and bylaws to LGgovernance@gov.bc.ca.

This is an initial circular to all regional districts. We are already planning for how the financial impacts of Covid could continue to unfold for local governments and their financial situations and we will be sharing additional follow up circulars.

I understand that these are difficult times, but please keep in mind that this is all temporary. If we all logically plan and cooperate collectively with one another, including cooperating with other local governments on expertise and experience, we can get through this while maintaining the local government finance system and critical services that system supports.

Sincerely,

A handwritten signature in black ink, appearing to read 'T Faganello', with a stylized flourish at the end.

Tara Faganello
Assistant Deputy Minister and Inspector of Municipalities
Local Government Division
Ministry of Municipal Affairs and Housing

Cc: Kaye Krishna, DM MAH
Liam Edwards and Sean Grant, MAH
Peter Urbanc, MFA
Gary MacIsaac, UBCM
Duncan Jillings, MoF
Jim Hopkins, MoF
Heather Wood, MoF
Kala Harris, GFOABA



REQUEST FOR DECISION

To: Trust Council **For the Meeting of:** April 20, 2020
From: Financial Planning Committee **Date Prepared:** April 14, 2020
SUBJECT: FINANCIAL PLAN BYLAW, 2020/21

RECOMMENDATION:

1. That Islands Trust Council rescind the third reading of Islands Trust Council Bylaw 178, cited as the "Financial Plan Bylaw, 2020/21";
2. That Islands Trust Council amend Schedule A of Bylaw 178, cited as the "Financial Plan Bylaw, 2020/21" as resolved;
3. That Islands Trust Council Bylaw 178, cited as the "Financial Plan Bylaw, 2020/21" be Read a Third Time.
4. That Islands Trust Council Bylaw 178, cited as the "Financial Plan Bylaw, 2020/21" be forwarded to the Minister of Municipal Affairs and Housing for approval consideration.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

The Islands Trust Financial Plan for 2020/21 must be adopted by Bylaw prior to implementation.

The following report was reviewed by Trust Council at its March 2020 meeting and has been updated to reflect changes to the bylaw made at that same meeting.

1 PURPOSE:

The Financial Plan Bylaw is the formal document approving the budget for the 2020/21 fiscal year. After three readings, if approved, the bylaw is forwarded to the Minister of Municipal Affairs and Housing for approval, and the property tax levy request is forwarded to the Provincial Surveyor of Taxes. Bowen Island Municipality is notified of the tax collection required on behalf of Islands Trust. Approval of the Financial Plan Bylaw is required prior to its implementation.

2 BACKGROUND:

The Financial Plan Bylaw focuses on the current fiscal year budget, but also includes projections for the following four fiscal years. The worksheet used to create the projections appears at the end of this Request for Decision (RFD). The assumptions and/or processes used for the line items in the four year projection are as follows:

Consumer Price Index (CPI)	Victoria CPI figures came in at 3.1% for 2019. This is higher than what has been seen in more recent years. CPI has been reflected at 3.1% for the 2020/21 fiscal year and at the possibly-more stable rate of 2.0% for the 5-year financial plan.
Fees and Sales	CPI has been incorporated into fees and sales revenue in accordance with the CPI rationale above. It is expected LTCs may

	move to adopt recommendation from LPC which may include standard fee increases for inflation on an annual basis.
Provincial Grant	A budget of \$180,000 has been included as in past years. This funding level has been maintained for the five-year period.
Non-market Growth	An annual 1.0 - 1.3% non-market growth rate is anticipated for the trust area as a whole, excluding BIM. Non-market growth is experienced when properties under development are completed and their assessed values are added to the assessment pool. It is expected that these increases will closely line up with the impact of inflation on expense projections.
Property Tax Changes	It is anticipated that property tax increases will range from 0.8% to 2.5% over the projected years. This figure is based on changes in planned expenditures and the planned draw from surplus funds.
Property Tax Levy – Bowen Island	The methodology for the Bowen Island Tax Levy calculation is described in the <i>Islands Trust Act</i> and is influenced by a number of factors that can be difficult to predict. An estimate of the levy, based on financial plan expenditures, is included in the projection. Note that net converted assessment values throughout the trust play a large role in this calculation. The distribution of these values throughout the trust area is held constant at the current distribution for purposes of the 5-year financial plan development.
Special Levies, Local Trust Committees	Special Levies are contemplated on an as-needed basis. The current five-year plan includes the continued Special Levy for the Salt Spring Island Watershed Protection Alliance (SSIWPA) to the end of fiscal year 2021/22. No other special levies are included.
Interest and Other Income	Interest and Other Income is expected to remain consistent.
Expenditures (Trust Council, Local Planning Services, Islands Trust Conservancy and Administration)	Service levels are expected to remain consistent (that is, no new programming).
Expenditures – Programs	<p>Program expenditures are based on historical spending and are adjusted to reflect lower spending on programs during election years, when time is dedicated to orienting a new Council.</p> <p>Expenditures are increased annually to account for anticipated inflation and expected salary increases.</p>
Surplus Funds	Per Policy 6.5.1 <i>Reserves and Surplus</i> , the “recommended minimum amount of money to be contained within the General Revenue Surplus Fund is three months of expenses net of three months of revenue, excluding revenues from property taxes or the provincial grant.” The five-year plan as presented anticipates

	that this level of minimum balance will be maintained within a 20% margin (i.e.: +/- 20% of the minimum balance recommended)
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3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: Approval of this Bylaw allows staff to implement the Islands Trust Council approved budget.

FINANCIAL: As described in the budget background documents.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: Staff will implement as described in budget background documents.

FIRST NATIONS: None.

OTHER: None.

- 4 RELEVANT POLICY(S):**
Municipal Revenue Tax Calculation Policy 7.2.vi.
General Revenue Fund Surplus Policy 6.5.i.

- 5 ATTACHMENT(S):**
Bylaw 178 Financial Plan Bylaw 2020/21

RESPONSE OPTIONS

Recommendation:

That Trust Council perform three readings of the Financial Plan Bylaw 2020/21 and advance the Bylaw to the Minister of Municipal Affairs and Housing for approval.

Alternative: No alternatives identified.

Prepared By: Julia Mobbs, Director, Administrative Services

Reviewed By: Russ Hotsenpiller, Chief Administrative Officer
Financial Planning Committee/February 19, 2020

ISLANDS TRUST COUNCIL

BYLAW NO. 178

A Bylaw Respecting the Financial Plan of the Islands Trust for Fiscal Years 2020/21 through 2025/26

The Islands Trust Council, having jurisdiction in respect of the Trust Area in the Province of British Columbia pursuant to the *Islands Trust Act*, enacts as follows:

1. Schedule "A" attached hereto, and made part of this Bylaw is hereby adopted and is the Financial Plan of the Islands Trust for the fiscal year commencing April 1, 2020 and ending March 31, 2021, and for the subsequent four fiscal years, and further that;
2. This Bylaw may be cited for all purposes as the "Islands Trust Financial Plan Bylaw, 2020/21".

READ A FIRST TIME THIS 12TH DAY OF MARCH , 2020

READ A SECOND TIME THIS 12TH DAY OF MARCH , 2020

READ A THIRD TIME THIS 20TH DAY OF APRIL , 2020

APPROVED BY THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING
THIS DAY OF , 2020

ADOPTED THIS DAY OF , 2020

SECRETARY

CHAIR

ISLANDS TRUST
Bylaw 178
Schedule A

Revenue	2020/21	2021/22	2022/23	2023/2024	2024/25
Provincial Funding	180,000	180,000	180,000	180,000	180,000
Property Taxes **	7,229,963	7,470,000	7,770,000	7,944,000	8,086,000
Special Levy - Local Trust Committees	75,500	99,000	-	-	-
Fees	115,000	117,000	120,000	122,000	124,000
Transfer from General Revenue Surplus Fund	429,650	157,000	105,000	163,000	-
Transfer from LTC Specific Fund	71,500	75,000	38,000	75,000	50,000
Interest and Other	97,000	97,000	97,000	97,000	97,000
Total Revenue	8,198,613	8,195,000	8,310,000	8,581,000	8,537,000
Expenditures					
Trust Council	1,412,957	1,451,000	1,547,000	1,567,000	1,469,000
Local Planning	6,027,820	5,966,000	5,969,000	6,185,000	6,232,000
Islands Trust Conservancy	897,837	918,000	934,000	969,000	976,000
Transfer to General Revenue Surplus Fund	-	-	-	-	-
Less non-cash items - amortization	(140,000)	(140,000)	(140,000)	(140,000)	(140,000)
Total Expenditures	8,198,614	8,195,000	8,310,000	8,581,000	8,537,000
Contribution to (Draw from) Surplus/Reserves	(501,150)	(232,000)	(143,000)	(238,000)	(50,000)
	(0)	-	-	-	-

** Estimated Property Taxes by Source:					
Trust Area Property Tax Levy	6,917,076	7,159,000	7,410,000	7,651,000	7,788,000
Bowen Island Municipality Property Tax Levy	312,887	311,000	360,000	293,000	298,000
Total	7,229,963	7,470,000	7,770,000	7,944,000	8,086,000



REQUEST FOR DECISION

To: Trust Council **For the Meeting of:** April 20, 2020
From: CAO **Date Prepared:** April 16, 2020
SUBJECT: Cancellation of the regular in person June Trust Council meeting on Hornby Island

RECOMMENDATION: That the June 16-18 2020 in person Trust Council meeting on Hornby Island be cancelled.

CHIEF ADMINISTRATIVE OFFICER COMMENTS: It is recommended that the June regular live meeting of Trust Council be cancelled at this time. Given the current provincial state of emergency, concern for health of all involved, limitations on travel and inability to hold large public gatherings, June is not the time to host a live Trust Council meeting. It is preferred that this decision is made sooner, rather than later, in order to cancel any bookings and let other contractors know of the decision.

Please note that the intention is to replace the regular meeting with an electronic meeting to be scheduled for generally the same time in June. Executive Committee have requested that staff provide them a report outlining all of the elements required to undertake an electronic Trust council meeting with the intention that there will subsequently be an RWM for Trust Council to schedule said meeting. We will need to consider how we engage the public, ensure communications, determine the length and format for the meeting amongst other considerations.

This situation will assist in another resolution of Trust Council, that being, to test the ability of the Islands Trust to undertake an electronic meeting.

Executive Committee received a report, substantially the same as this report, at their April 15 meeting and subsequently directed that an RWM be conducted for a special Trust Council meeting to consider both amendments to the Financial Plan and the hosting of the June Trust Council session. The meeting on April 20 is a special meeting of Trust Council and as such will only include these two topics. Further, the Ministry of Municipal Affairs and Housing, realizing that the amendments to the Financial Plan are timely, have essentially applied the same rules being used by Regional District and municipalities during the COVID pandemic, those being the ability to conduct decision-making meetings that are not open meetings to the public. Accordingly, the meeting on April 20 will be without a live public component. The June Trust council meeting cancellation is a component part of the ability to decrease the tax requisition and is reasonable to include in the special meeting.

- 1 **PURPOSE:** Given the challenges with convening open meetings and the limitations with hosting large meetings associated with the provincial COVID-19 pandemic, it is recommended to cancel the upcoming regular June Trust Council meeting on Hornby Island and consider replacement with an electronic Trust Council meeting.

2 BACKGROUND:

At its December 2019 meeting, Trust Council adopted its 2020 quarterly meeting schedule which delegated Hornby Island to host the June dates 16, 17, and 18. Meeting logistics have been executed with \$775.00 being issued for deposits.

At time of this writing, it is unlikely that there will be the ability to conduct an in person meeting in June on Hornby for the following reasons:

- The date for the meeting is two months away and the province is currently in the midst of an emergency pandemic response which limits public gatherings,
- BC Ferries has limited ferry travel to essential travel only, with an operational period till the end of June,
- On island services are currently shut or closed and there is no means of ensuring catering, lodging, access or other requirements of hosting approximately 50 people to the meeting,
- The Islands Trust should cancel bookings in a timely manner and would be required to do so before the provincial state of emergency is concluded.

By June there will however be a number of items for consideration of Trust Council so it is recommended that the meeting be conducted by electronic means. Staff are in the process of developing reporting on the viability of hosting an electronic meeting for Trust Council and will provide a recommendation to Executive Committee as soon as possible. We are not yet certain of any remedy the Ministry may provide with regard to the provision of open meetings via electronic meetings, so it is recommended that Trust Council cancel the meeting initially and subsequently undertake a further RWM to host an electronic meeting, possibly within 2 weeks.

We have two options to host an electronic meeting, either as a special or as a regular meeting.

[Trust Council Meeting Procedures Bylaw No. 101](#) (4.4 a) a special meeting of Council to deal with urgent new business may be conducted entirely by means of audio or audio and visual electronic communication facilities if a majority of the members of the Council have agreed by resolution that the meeting may be conducted in this way. However, if other business is to be conducted, which is the recommendation for the June meeting, then the meeting would be a regular meeting, in which case a unanimous exception would need to be granted via RWM from the Meeting Procedures Bylaw which limits electronic participation to only 4 trustees.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: Staff would work towards developing a process to host an electronic meeting including having staff in the main offices, arranging information technology, support or any other requirements.

FINANCIAL: there will be a net financial gain from cancelling the live meeting and having an electronic meeting in the order of at least \$15,000.

POLICY: As noted, the current meeting procedures bylaw would need to be temporarily held in abeyance via RWM to allow for an all-electronic meeting.

IMPLEMENTATION/COMMUNICATIONS: There will need to be sufficient public information provided to alert the community about the change in venue and process and to allow for electronic attendance. This would be done through the website and subscriber notices.

FIRST NATIONS: There are no specific First Nations implications to this action. Regular reporting on the Reconciliation Action Plan and any other updates would be provided to Trust Council.

OTHER: By June we will know whether the Ministry has provided some alternatives to the Islands Trust with regard electronic meetings and the need to provide a public gathering place. That will inform how the electronic meeting is carried out and what staff component will be required to conduct the meeting.

4 RELEVANT POLICY(S):
[Trust Council Meeting Procedures Bylaw No. 101](#)

5 ATTACHMENT(S):
N/A

RESPONSE OPTIONS

Recommendation:

Alternative: Trust Council could decide to continue with hosting a meeting on Hornby hoping that the COVID pandemic measures in place currently subside by June.

Prepared By: Russ Hotsenpiller, Chief Administrative Officer
Lori Foster, Executive Coordinator

Reviewed By/ **Date: April 16, 2020**