



Islands Trust Council

Quarterly Meeting

Part 1. ends at item 11.1.4, see Part 2 for the rest of the agenda package

Date: Tuesday, Sept 26, to Thursday, Sept 28, 2023
Time: See agenda for details
Location: Pender Islands Community Hall
4418 Bedwell Harbour Road, North Pender Island, BC

Pages

Tuesday, September 26, 2023

1. **LAND ACKNOWLEDGEMENT** 1:00 PM - 1:00 PM
2. **CALL TO ORDER / APPROVAL OF AGENDA**
3. **GENERAL BUSINESS ARISING**
 - 3.1 **Consent Agenda Items**

By general consent, that Islands Trust Council adopt the recommendations as presented in items 3.1.1 to 3.1.3.

 - 3.1.1 **June Trust Council draft meeting minutes** 8 - 20
That Islands Trust Council adopt the minutes as presented.
 - 3.1.2 **Trust Council Follow-Up Action List** 21 - 30
Receive for information.
 - 3.1.3 **Resolution without Meeting (RWM) Report** 31 - 31
Receive for information.
4. **CLOSED WORKING SESSION - Separate Cover** 1:15 PM - 3:00 PM
That Islands Trust Council close the meeting to the public subject to Section 90 (1)(i) of the Community Charter in order to consider receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and that staff attend the meeting.

BREAK
3:00 PM - 3:15 PM

The meeting is scheduled to reopen to the public; however actual time may vary.
5. **EXECUTIVE** 3:15 PM - 4:30 PM
 - 5.1 **Consent Agenda Items**

By general consent, that Islands Trust Council adopt the recommendations as presented in items 5.1.1 to 5.1.2.

5.1.1	Chief Administrative Officer's Report	32 - 33
	Receive for information.	
5.1.2	Executive Committee Work Program Report	34 - 36
	That Islands Trust Council approve the work program report as presented.	
5.2	<u>Discussion/Decision Items</u>	
5.2.1	Bylaw Compliance and Enforcement - Office of the Ombudsperson Report - RFD	37 - 54
	That Trust Council direct that the recommendations from the Office of Ombudsperson Report titled: "Voluntary Consultation on Bylaw Enforcement Policies and Practices within the Islands Trust", dated August 2023, be implemented, and that staff develop and initiate an associated work plan and project charter.	
5.2.2	Review of Trust Council Policies - RFD	55 - 61
	A. THAT Trust Council rescind:	
	<ol style="list-style-type: none"> 1. Policy 2.1.5 Islands Trust Legislative Structure; 2. Policy 2.1.8 Development Approvals Information Bylaws; 3. Policy 2.2.4 Meeting Procedures Bylaw 101; 4. Policy 4.1.6 Local Trust Committee Guidelines for Authorizing Decisions; 5. Policy 4.1.10 Use of Islands Trust Flag; 6. Policy 4.1.12 Associated Islands Project Prioritization Criteria; 7. Policy 4.3.1 Local/Island Advisory Transportation Committees Policy; 8. Policy 6.11.1 Trustee Staff Responsibility Guide; 9. Policy 7.1.3 Use of Local Trustee Letterhead; and 10. Policy 8.1.1 Staff Organization Chart. 	
	B. THAT Trust Council request staff to review, update and report back to Trust Council with recommendations for amendments to Islands Trust Council policies, and where possible, combine similar policy documents to reduce redundancies.	
5.2.3	Request for a Provincial Review - Briefing	62 - 68
6.	GOVERNANCE COMMITTEE	4:30 PM - 5:30 PM
6.1	<u>Committee Update and Work Program/Matrix - Briefing</u>	69 - 71

6.2 Corporate Planning Framework for the Islands Trust - RFD

72 - 86

1. That Trust Council approve the attached Draft Corporate Planning Framework, and
2. THAT Trust Council request that Governance Committee continue work on Corporate Plan development.

**RECESS FOR THE DAY
5:30 PM (Approximate)**

Wednesday, September 28, 2023

7. DEVELOPMENT OF A VISION

8:30 AM - 12:00 PM

7.1 Development of a Vision for Islands Trust - Briefing and Session Outline

87 - 94

**BREAK
10:30 AM - 10:45 AM**

8. ENGAGEMENT / COLLABORATION

8.1 Lunch Hour - Field Trip

12:00 PM - 1:15 PM

CHOOSE ONE: of the organized field trips offered during lunch for Wednesday, September 27 12:00 PM to 1:15 PM.

Logistics will be updated verbally at the meeting.

8.1.1 Guided Visit to KELA_EKE Kingfisher Forest

95 - 96

8.1.2 Tour of Magic Lake Estates

97 - 97

TRUST COUNCIL RECONVENES

8.2 Delegations

1:30 PM - 2:15 PM

8.2.1 Dave Manning re: Bald Eagles and Trees

98 - 99

8.2.2 Jennifer Margison re: Proactively address recommendations in Governance Committee Report

100 - 106

8.2.3 Peter Pare re: Gulf Islands Sue Big Oil group

107 - 112

8.2.4 Andy Nowak/Pender Forest Stewards re: Freshwater Security for the Islands Trust Area

113 - 114

8.3 Public Comments

2:15 PM - 2:45 PM

9. PLANNING SERVICES

2:45 PM - 3:00 PM

9.1 Consent Agenda Items

By general consent, that Islands Trust Council adopt the recommendations as presented in items 10.1.1 to 10.1.3.

- 9.1.1 **Director of Planning Services Report** 115 - 119
Receive for information.
- 9.1.2 **Regional Planning Committee Work Program Report** 120 - 124
That Islands Trust Council approve the work program report as presented.
- 9.1.3 **Bylaw Enforcement Statistical Reports - Briefing** 125 - 130
Receive for information.

9.2 **Discussion / Decision Items**

None

BREAK
3:00 PM - 3:15 PM

10. **ADMINISTRATIVE SERVICES / FINANCE** 3:15 PM - 4:15 PM

10.1 **Consent Agenda Items**

By general consent, that Islands Trust Council adopt the recommendations as presented in items 11.1.1 to 11.1.3.

- 10.1.1 **Director of Administrative Services Report** 131 - 134
Receive for information.
- 10.1.2 **Financial Planning Committee Work Program Report** 135 - 138
That Islands Trust Council approve the work program report as presented.
- 10.1.3 **June 30, 2023 Financial Report - RFD** 139 - 146
That Trust Council approve the June 30, 2023 financial report.

10.2 **Discussion / Decision Items**

- 10.2.1 **March 31, 2023 Islands Trust Audited Financial Statements and Audit Report - RFD** 147 - 169
That Trust Council approve the Islands Trust audited financial statements for the year ended March 31, 2023.
- 10.2.2 **March 31, 2023 Allocated Financial Statements - BRF** 170 - 173
Receive for information.
- 10.2.3 **2022-23 Statement of Financial Information (SOFI) - RFD** 174 - 184
That Trust Council approve the 2022/23 Statement of Financial Information.
- 10.2.4 **Draft 2024/25 Budget Assumptions, Principles and Guidelines - RFD** 185 - 194
That Trust Council approve the 2024/25 Budget Assumptions, Principles (BAP), and Guidelines.

11. **TRUST AREA SERVICES** 4:15 PM - 5:30 PM

11.1 Consent Agenda Items

By general consent, that Islands Trust Council adopt the recommendations as presented in items 12.1.1 to 12.1.5.

- | | | |
|---------------|--|------------------|
| 11.1.1 | Director of Trust Area Services Report
Receive for information. | 195 - 200 |
| 11.1.2 | Trust Area Services Work Program Report
That Islands Trust Council approve the work program report as presented. | 201 - 202 |
| 11.1.3 | Islands Trust Conservancy Report
Receive for information. | 203 - 204 |
| 11.1.4 | March 31, 2023 Audited Financial Statements of the Islands Trust Conservancy - Briefing
Receive for information. | 205 - 243 |
| 11.1.5 | Legislative Monitoring Report, August 2023 - Briefing
Receive for information. | 244 - 296 |

11.2 Discussion / Decision Items

- | | | |
|---------------|--|-----------|
| 11.2.1 | Introducing Islands Trust Conservancy Chair - Risa Smith | |
| 11.2.2 | Larmour NAPTEP Application (Salt Spring) - RFD
That the Islands Trust Council requests the Secretary to issue a NAPTEP Certificate for the covenanted portion of the property described as PID 000-138-452, Lot 1, Section 87, South Salt Spring Island, Cowichan District, Plan VIP 27894, subject to registration of a conservation covenant and completion of a baseline inventory report consistent with the standards developed for NAPTEP. | 297 - 301 |
| 11.2.3 | Koontz NAPTEP Certificate Gabriola Island - RFD
That the Islands Trust Council requests the Secretary to issue a NAPTEP Certificate for the covenanted portion of the property described as PID 05-788-447, That Part of Lot 3, Section 5, Gabriola Island, Nanaimo District, Plan 6986, Lying to the North West of a Road Dedication by Plan 17829, Except those parts in Plans 21783 and 26145, subject to registration of a conservation covenant and completion of a baseline inventory report consistent with the standards developed for NAPTEP. | 302 - 305 |
| 11.2.4 | Snaw-naw-as First Nation Islands Trust Working Group - RFD
That the Islands Trust Council appoint the following trustees to a Snaw-naw-as First Nation/Islands Trust Joint Working Group as established under the Snaw-naw-as First Nation/Islands Trust Protocol Agreement: Peter Luckham, Tobi Elliott, Mikaila Lironi, and Tim Peterson. | 306 - 317 |

11.2.5 Draft Revised Policy Statement Amendment Project Charter V6 - RFD

318 - 324

That Trust Council approve Policy Statement Amendment Project Charter v7.

11.2.6 Islands Trust 50th Anniversary Activities - Briefing

**RECESS FOR THE DAY
5:30 PM (Approximate)**

Thursday, September 28, 2023

12. CLOSED MEETING - Separate Cover 8:30 AM - 9:00 AM

That Islands Trust Council close the meeting to the public subject to Sections 90 (1) (c)(g) and (i) of the Community Charter in order to consider matters related to employee relations, litigation affecting the Islands Trust, receipt of advice that is subject to solicitor-client privilege, and that staff attend the meeting.

The meeting is scheduled to reopen to the public; however, actual time may vary.

13. RISE AND REPORT 9:00 AM - 9:00 AM

14. NEW BUSINESS 9:05 AM - 10:30 AM

14.1 Notice of Motion for September Trust Council re: Gabriola LTC request 325 - 325

14.2 Trustee Peterson re: Disposition of Delegations - Discussion 326 - 329

14.3 Trustee Boland re: Trust Council Meeting Schedule and Agenda - Discussion 330 - 332

15. TRUSTEE SUMMARY UPDATES

15.1 TRUSTEE ROUNDTABLE 10:45 AM - 11:30 AM

Trustees are offered two minutes to give a verbal update about their local trust area committee meetings, advocacy work, and emerging issues in this roundtable forum.

15.2 Trustee Borthwick - Baynes Sound Lambert Channel Ecoforum Report 333 - 334

15.3 Trustee Maude - BC Ferries Ferry Advisory Committee 335 - 336

15.4 Freighter Anchorages / Oceans Protection Plan Update

None

15.5 Shellfish Aquaculture Management Advisory Committee (SF AMAC)

None

15.6 Southern Gulf Islands Forum

None

15.7 Atl'ka7tsem/Howe Sound Community Forum

None

16. DISPOSITION OF DELEGATIONS

17. CORRESPONDENCE

None

18. TRUST COUNCIL PRIORITIES CHART

337 - 338

19. NEXT MEETING

19.1 Proposed Upcoming Trust Council Program

339 - 339

The next Trust Council meeting is scheduled to be held in person, December 5-7, 2023, at the Coast Hotel in Victoria, 146 Kingston Street, Victoria BC.

19.1.1 Supporting materials for discussion on climate change action - Briefing

340 - 377

For Trust Council's consideration as an item on December's meeting agenda.

20. ADJOURNMENT

12:00 PM (Approximate)



Trust Council Minutes of a Regular Meeting

Date: June 27 to 29, 2023
Location: The Haven Resort
240 Davis Road, Gabriola Island, BC

Executive Present:

1. Peter Luckham, Chair, Thetis
2. David Maude, Vice-Chair, Mayne
3. Tim Peterson, Vice-Chair, Lasqueti
4. Tobi Elliott, Vice-Chair, Gabriola

Trustees Present:

5. Sue Ellen Fast, Bowen Municipal
6. David Graham, Denman
7. Kate Louise Stamford, Gambier
8. Susan Yates, Gabriola
9. Sam Borthwick, Denman
10. Judith Gedye, Bowen Municipal
11. Kristina Evans, South Pender
12. Joe Bernardo, Gambier/Keats
13. Dag Falck, South Pender
14. Mairead Boland, Saturna
15. Lisa Gauvreau, Galiano
16. Laura Patrick, Salt Spring
17. Jeanine Dodds, Mayne (hybrid)
18. Mikaila Lironi, Lasqueti (hybrid)
19. Alex Allen, Hornby (hybrid)
20. Aaron Campbell, North Pender (electronic)
21. Jamie Harris, Salt Spring (electronic)
22. Ken Hunter, Thetis (electronic)
23. Lee Middleton, Saturna (regrets)
24. Deb Morrison, North Pender (regrets)
25. Ben Maberley, Galiano (regrets)
26. Grant Scott, Hornby (regrets)

Staff Present:

Russ Hotsenpiller, Chief Administrative Officer
David Marlor, Director, Legislative Services
Clare Frater, Director, Trust Area Services
Stefan Cermak, Director, Planning Services
Julia Mobbs, Director, Administrative Services
Lori Foster, Executive Coordinator, Recorder

Tuesday, June 27, 2023

1. TERRITORIAL WELCOME

David Bodaly, whose traditional name is Laxiya, a Snuneymuxw Elder and knowledge sharer welcomed Trust Council to Snuneymuxw territory as Elder Geraldine Manson had to send regrets.

2. CALL TO ORDER / LAND ACKNOWLEDGEMENT

At 1:17 p.m., Chair Luckham called the meeting to order.

There were 21 trustees present. Regrets: Deb Morrison, Ken Hunter, Lee Middleton, Ben Maberley, Grant Scott.

2.1 APPROVAL OF AGENDA

By $\frac{3}{4}$ consent of Trust Council, add to the agenda as item 19.6 Overview of Insurance Coverage

By $\frac{3}{4}$ consent of Trust Council, add to the agenda as item 19.7 Regarding: enquire into Executive Committee look into an absentee council members' policy

By general consent, the agenda was approved as amended.

3. GENERAL BUSINESS ARISING

3.1 Consent Agenda Items

By general consent, Islands Trust Council adopted the recommendations as presented in items 3.1.1 to 3.1.4.

3.1.1 March 2023, Trust Council Quarterly draft meeting minutes

That Islands Trust Council adopt the minutes as presented.

3.1.2 March 28, 2023, Trust Council Special Electronic draft meeting minutes

That Islands Trust Council adopt the minutes as presented.

3.1.3 Trust Council Resolutions without Meeting (RWM) Report

Receive for information.

3.1.4 Trust Council Follow-up Action (FUAL) List

Receive for information.

3.2 Discussion / Decision Items

3.2.1 Trustee Roundtable

Each trustee gave a verbal update about their local trust area committee meetings, official community plan and land use bylaw updates and advocacy work.

Common themes were heard on the following:

- Housing crisis, illegal housing, tiny house solutions, and some local trust area's not as affected
- Safety tree cutting concerns

The meeting recessed for a break at 2:38 p.m. and reconvened at 3:00 p.m.

4. EXECUTIVE

4.1 Consent Agenda Items – None

4.2 Discussion / Decision Items

4.2.1 Chief Administrative Officer's (CAO) Report

CAO Hotsenpiller spoke to his report and gave updates on relationship building with First Nations regarding our referrals / planning process.

4.2.2 Executive Committee Work Plan Updates – Briefing

CAO Hotsenpiller spoke to the briefing.
Discussion ensued Executive Committee's work plan amendments and the work Executive Committee oversees regarding Trust Council's direction.

TC-2023-042

It was Moved by Municipal Trustee Fast and Seconded by Trustee Yates,
That Trust Council receive the Executive Committee work program report as presented.

CARRIED

4.2.3 Overview of Strategic and Corporate Planning Projects – Briefing

CAO Hotsenpiller spoke to the briefing as presented and going forward with the strategic planning process.

4.2.4 Accessibility Committee Membership Recommendation for Trust Council – Briefing

Director of Legislative Services (DLS) Marlor spoke to the briefing as presented which included a request for decision (RFD) to establish an Accessibility Committee by amending Policy 2.3.1.

TC-2023-043

It was Moved by Vice-Chair Peterson and Seconded by Trustee Evans,
That Trust Council amend Trust Council Policy 2.3.1 [Council Committee System and Terms of Reference] by adding a new Accessibility Committee, and terms of reference for the Accessibility Committee.

CARRIED

4.2.5 Financial Planning Committee (FPC) Membership – RFD

DLS Marlor spoke to the request for decision (RFD) as presented.

It was noted that the corporate planning process review is underway and should be completed before addressing FPC membership at this time.

TC-2023-044

It was Moved by Trustee Patrick and Seconded by Trustee Yates,
That Trust Council continue with the existing policy of appointment to the Financial Planning Committee until the corporate planning process is concluded.

CARRIED

The meeting recessed for a break at 4:50 p.m. and reconvened at 5:00 p.m.

5. GOVERNANCE COMMITTEE

5.1 Governance Committee Chair's Report

Governance Committee Chair, Judith Gedye, spoke to her report and introduced the committee's work program "matrix" to Trust Council.

Received for information.

6. NOTICE OF ELECTION

Director of Legislative Services (DLS) Marlor confirmed the by-election taking place on Thursday, June 29, 2023 at 10:15 a.m. for one open position on the Islands Trust Conservancy Board as presented and those interested will have the opportunity to present their biographies on Wednesday.

Chair Luckham recognized the passing of Louise Decario on April 10, 2023, who served three terms as a Galiano Island local trustee from 2002-2005; 2008-2011; and 2011-2014.,

By general consent, the meeting recessed for the day at 5:20 p.m.

Wednesday, June 28, 2023

Chair Luckham reconvened the meeting at 8:30 a.m.

Trustees moved into 4 breakout rooms and followed the session outline as suggested in the agenda package on pages 113-116.

7. STRATEGIC PLANNING SESSION

7.1 SWOT and Strategic Planning Session Outline

Trustees reconvened as a group at the Trust Council table where a trustee from each of the break out rooms reported on their findings.

The findings of each group were compiled into a “combined strategies” document and emailed to trustees for information.

The meeting recessed for lunch at 12:00 p.m., and reconvened at 1:30 p.m.

Chair Luckham continued with that agenda at item 10. Delegations.

10. DELEGATIONS

10.1 Islands' Forest Stewards re: Governance and Forests

Julia Nicholls addressed Trust Council and shared a PowerPoint titled, “Governance and Forests” asking Trust Council to reconsider its March 2023 decision to promptly inform the Province that it no longer wishes to proceed with its request that the Province enhance the Trust's jurisdiction over tree cutting bylaws to make its jurisdiction equal to that of municipalities under section 8 of the Community Charter.

11. PUBLIC COMMENT

Sybil Frey, Gabriola Island resident, asked Trust Council and local trust committees to encourage/establish a “community services zone” to make it easier for non-profits to support communities.

Ian Peace, representing the Gulf Islands Alliance, spoke to the Healthier Canada Act, and the right to a healthy environment, that Islands Trust is positioned to achieve this.

Maxine Leichter, Salt Spring Island, spoke to ground water recharge mapping needs on Salt Spring Island, to understand where to build affordable housing and not take away from existing property.

Chair Luckham continued with the agenda at item 8. Administration Finance Services

8. ADMINISTRATION FINANCE SERVICES

8.1 Consent Agenda Items

By general consent, Islands Trust Council adopted the recommendations as presented in items 8.1.1 and 8.1.2.

8.1.1 Financial Planning Committee Work Program Report
Approve the work program report as presented.

8.1.2 Draft March 31, 2023 Financial Results - RFD
Approve the report as presented.

8.2 Discussion / Decision Items

8.2.1 Administrative Services Director's Report

DAS Mobbs spoke to the report as presented.

9. ELECTION DECLARATION

DLS Marlor introduced two candidates who expressed interest in the position open on the Islands Trust Conservancy Board

Trustees Boland and Gauvreau each addressed Trust Council on their interest in running for the position in the elections which are being held tomorrow.

Trustees were given the opportunity to ask questions of the potential candidates.

12. TRUST AREA SERVICES

12.1 Consent Agenda Items

By general consent, Islands Trust Council adopted the recommendations as presented in items 12.1.1. and 12.1.2.

12.1.1 Trust Programs Committee Work Program Report
Approve the work program report as presented.

12.1.2 Census Infographics - Briefing
Receive for information.

12.2 Discussion / Decision Items

12.2.1 Trust Area Services Director's Report

Director Frater spoke to the report as presented.

Discussion followed on trustee input regarding sending out First Nations letters and requested that trustees need to see these letters before they are sent out.

12.2.2 Islands Trust Conservancy Report

Director Frater spoke to highlights in the report.

Comments were heard on managing fire risk on the islands with regards to active management of conservancy lands.

12.2.3 2022/23 Draft Annual Report – RFD

Director Frater spoke to the request for decision (RFD) as presented.

TC-2023-045

It was Moved by Trustee Yates and Seconded by Trustee Allen,

That the Islands Trust Council approves the 2022/23 Draft Annual Report for submission to the Minister of Municipal Affairs.

CARRIED

13. PLANNING SERVICES

13.1 Consent Agenda Items

By general consent, Islands Trust Council adopted the recommendation as presented in item 13.1.1.

13.1.1 Regional Planning Committee Work Program Report
Approve the work program report as presented.

13.2 Discussion / Decision Items

13.2.1 Planning Services Director's Report

Director of Planning Services Cermak spoke to report and answered questions.

The meeting recessed for a break at 3:05 p.m. and reconvened at 3:20 p.m.

14. PRESENTATION

14.1 Local Governments in Reconcili-Action - Session Outline

Brent Mueller, Director, Ministry of Municipal Affairs and Lisa Bhopalsingh, City of Nanaimo gave PowerPoint presentations regarding relationship building and reconciliation followed by a question and answer session with trustees.

By general consent, the meeting recessed for the day at 5:33 p.m.

Thursday, June 29, 2023

Chair Luckham reconvened the meeting at 8:30 a.m. acknowledging that Trust Council was being held on Snuneymuxw First Nation territory.

The following 22 trustees were present when the meeting reconvened: Patrick, Gauvreau, Boland, Falck, Bernardo, Evans, Gedye, Maude, Peterson, Luckham, Elliott, Borthwick, Yates, Stamford, Graham, Fast and electronically Allen, Campbell, Dodds, Harris, Hunter and Lironi.

15. CLOSED MEETING

At 8:40 a.m., the meeting was closed to the public.

TC-2023-046

It was Moved by Vice-Chair Maude and Seconded by Vice-Chair Peterson,

That Islands Trust Council close the meeting to the public subject to Sections 90 (1) (c)(g) and (i) of the Community Charter in order to consider matters related to employee relations, litigation affecting the Islands Trust, receipt of advice that is subject to solicitor-client privilege, and that staff attend the meeting.

CARRIED

At 9:44 a.m., the meeting was reopened to the public.

16. RISE AND REPORT

Chair Luckham reported the following from the closed meeting:

- That the March Trust Council in-camera minutes were adopted as presented and
- That speaking notes will be created as public facing documents regarding the right to housing with respect to the legal opinion

The meeting recessed for a break at 9:55 a.m., and reconvened at 10:10 a.m.

17. STRATEGIC PLANNING SESSION – continued

17.1 Extension of the Strategic Plan and consideration of any new strategic planning projects – RFD

CAO Hotsenpiller spoke to the request for decision.

Discussion ensued on the strategic planning processes and consideration to move forward with the current plan for the 2024/25 budget year.

It was Moved by Trustee Yates and Seconded by Trustee Fast,

That Trust Council direct staff to amend the Strategic Plan to extend the Strategic Plan through 2024/25.

Discussion ensued.

It was Moved by Trustee Evans and Seconded by Trustee Peterson,

That the above motion be amended to add the words “as an interim strategic plan” to the end of the sentence.

CARRIED

Discussion ensued on the motion as amended.

It was Moved by Trustee Yates and Seconded by Trustee Fast,
That Trust Council direct staff to amend the Strategic Plan to extend the Strategic Plan through 2024/25 as an interim strategic plan.

It was Moved by Trustee Patrick and Seconded by Trustee Gauvreau,
That the above motion be amended to add to the end of the sentence “with the following changes:

1. Corporate Planning is adopted as a priority for Trust Council
2. Prioritizing elements of the strategic projects that support land use decision making
3. Update the strategic initiatives related to housing to focus on projects that will develop healthy, resilient island communities by employing two lenses: mitigating and adapting to the effects of climate change, and managing growth by cultivating equitable, inclusive and resilient communities and the natural environment

CARRIED

Discussion ensued.

Chair Luckham called the question on the main motion as twice amended.

TC-2023-047

It was Moved by Trustee Yates and Seconded by Trustee Fast,
That Trust Council direct staff to amend the Strategic Plan to extend the Strategic Plan through 2024/25 as an interim strategic plan with the following changes:

1. Corporate Planning is adopted as a priority for Trust Council
2. Prioritizing elements of the strategic projects that support land use decision making
3. Update the strategic initiatives related to housing to focus on projects that will develop healthy, resilient island communities by employing two lenses: mitigating and adapting to the effects of climate change, and managing growth by cultivating equitable, inclusive and resilient communities and the natural environment

Opposed, Trustee Harris
CARRIED

18. ELECTION

18.1 Islands Trust Conservancy Board Member

DLS Marlor called for nominations for the open position on the Islands Trust Conservancy Board.

TC-2023-048

It was Moved by Trustee Patrick and Seconded by Trustee Yates,
That Trustee Gauvreau be nominated for the position on the Islands Trust Conservancy board.

Trustee Gauvreau accepted the nomination.

TC-2023-049

It was Moved by Trustee Borthwick and Seconded by Trustee Falck,

That Trustee Boland be nominated for the position on the Islands Trust Conservancy board.

Trustee Boland accepted the nomination.

TC-2023-050

It was Moved by Trustee Graham and Seconded by Trustee Fast,

That Trustee Stamford be nominated as the scrutineer for the election.

Trustee Stamford agreed to stand.

CARRIED

DLS Marlor conducted the election handing out and collecting the paper ballots and emailing the electronic ballots to those online.

Trust Council recessed for 10 minutes while scrutineer, Trustee Stamford, Director of Legislative Services Marlor, and Executive Coordinator Foster adjourned to a private room to count the votes.

Returning from the vote count, DLS Marlor announced Trustee Lisa Gauvreau as the newly elected member to the Islands Trust Conservancy Board.

19. NEW BUSINESS

19.1 Trustee Gauvreau re: Islands Trust Referral process with Indigenous Communities – RFD

Trustee Gauvreau spoke to the request for decision (RFD) as presented.

TC-2023-051

It was Moved by Trustee Gauvreau and Seconded by Trustee Borthwick,

That Trust Council request staff to: a) evaluate the implications of a longer referral response window, and; b) consider how Trust Council and local trust committees (LTC's) might consult with First Nations to better understand what changes to the current referral process should be made to both improve communication and to further reconciliation, and report back to Trust Council.

CARRIED

19.2 Trustee Boland re: Improved Information Access for Trustees – RFD

Trustee Boland spoke to the request for decision (RFD) as presented.

It was Moved by Trustee Boland and Seconded by Trustee Falck,

That Trust Council direct staff to discuss, with Trustee Boland, requirements and options and report back on possibilities and effort required to improve Trustee access to key documents.

It was Moved by Trustee Peterson and Seconded by Trustee Borthwick,
That the above motion be amended to replace the words “Trustee Boland “with
“interested trustees”

CARRIED

Trustee Boland noted a number of trustees raised their hands as interested in participating in this discussion.

Chair Luckham called the question on the main motion as amended.

TC-2023-052

It was Moved by Trustee Boland and Seconded by Trustee Falck,

That Trust Council direct staff to discuss, with interested trustees, requirements and options and report back on possibilities and effort required to improve Trustee access to key documents.

CARRIED

19.3 Trustee Boland re: Share view of Calendar of Trust Meetings with trustees – RFD

Trustee Boland spoke to the request for decision (RFD) as presented.

TC-2023-053

It was Moved by Trustee Boland and Seconded by Trustee Borthwick,

That staff consider options and report back on possibilities and effort required to provide Trustee view access to integrated calendar of Trust Meetings.

CARRIED

19.4 Trustee Boland re: request for September agenda item email dated June 6, 2023

It was noted this item, requesting another provincial review and meeting with Minister Kang, is already positioned to be on September’s Trust Council agenda.

19.5 Trustee Peterson re: Disposition of Delegations – Briefing

Trustee Peterson spoke to the briefing requesting it come back to a future Trust Council agenda for discussion.

19.6 Self-Insurance

CAO Hotsenpiller discussed the options for Islands Trust insurance offered in the open market, joining the Municipal Insurance Association or self-insurance.

TC-2023-054

It was Moved by Trustee Bernardo and Seconded by Trustee Yates,

That Trust Council request staff to research the possibility of self-insurance.

CARRIED

19.7 Absentee Trustees

Trustee Yates will bring concerns about trustee non-attendance to a meeting of the Executive Committee

20. DISPOSITION OF DELEGATIONS - None

21. CORRESPONDENCE

No actions were raised to the following correspondence received for information on the agenda:

21.1 P. Johnson re: Xwe'etay Lasqueti Archaeology Project

21.2 San Juan County Council to David Eby re: Comments on the Draft Provincial Conditions for the Roberts Bank Terminal 2 Project letter dated June 7, 2023

22. SUMMARY/UPDATES – received for information unless otherwise noted.

22.1 First Nations Relations - None

22.2 Freighter Anchorages / Oceans Protection Plan Update

It was noted that no anchoring after 11 p.m., is a temporary new change that has been implemented by the Vancouver Fraser Port Authority regarding certain anchorages.

22.3 Shellfish Aquaculture Management Advisory Committee (SF AMAC) - April 27, 2023

22.4 Salt Spring Island Watershed Protection Alliance (SSIWPA) - None

22.5 Southern Gulf Islands Forum - None

22.6 Atl'ka7tsem/Howe Sound Community Forum - None

22.7 Baynes Sound / Lambert Channel Ecosystems Forum

22.7.1 Baynes Sound/Lambert Channel Ecosystem Forum May 26, 2023

22.8 BC Ferries Advisory Committees

22.8.1 BC Ferries - Ferry Advisory Committee (FAC) – Briefing

22.8.2 Gabriola FAC (Route 19) meeting with BC Ferries March 11, 2023

22.9 UBCM Housing Summit April 4-5, 2023

22.10 Association of Vancouver Island Coastal Communities Conference (AVICC) April 14-16, 2023

22.11 Rural Islands Economic Partnership (RIEP) Forum April 25 - 27, 2023

23. Proposed September Trust Council 3-day Program

Received for information.

24. NEXT MEETING

The next Trust Council Quarterly meeting is scheduled to be held in-person, on the Penders, September 26-28, 2023.

25. ADJOURNMENT

By general consent, the meeting was adjourned at 12:12 p.m.

Peter Luckham, Chair

Certified Correct

Lori Foster, Executive Coordinator/Recorder

Follow Up Action Report

Trust Council

Chief Administrative Officer

Activity	Responsibility	Dates	Status
<p>1 That Trust Council consider approaching the Province of British Columbia to request additional funding for the Islands Trust annual budget, ensuring any request that goes forward is appropriately strategized in line with other requests currently being asked of the Province; and that Trust Council direct staff to work with Executive Committee and the Islands Trust Conservancy Board to strategize an approach for requesting additional funding from the Province.</p>	Russ Hotsenpiller	Meeting: 17-Sep-2019 Target: 06-Dec-2023	In Progress
<p>2 That Trust Council prioritize public engagement tools and approaches as a priority topic for future learning opportunities.</p>	Russ Hotsenpiller	Meeting: 21-Sep-2021 Target: 06-Dec-2022	In Progress
<p>3 Coordinate the provision of expert advice and training to the incoming Trust Council, early in the new term, on the theme of public engagement and consultation, building on lessons learned from the first three phases of Islands 2050 public engagement from 2019 - 2022.</p>	Clare Frater Russ Hotsenpiller	Meeting: 21-Sep-2022 Target: 15-Dec-2023	In Progress
<p>4 In cooperation with Executive Committee, provide a list of needed resources in priority order to advance the Trust's reconciliation activity with First Nations in British Columbia that Council may debate and endorse for advocacy to British Columbia.</p>	Clare Frater Russ Hotsenpiller	Meeting: 22-Sep-2022 Target: 27-Jun-2023	In Progress

Follow Up Action Report

Trust Council

Chief Administrative Officer

Activity	Responsibility	Dates	Status
<p>5 Trust Council ask the Governance Committee to review the current method of appointment and the make-up of membership for Trust Council standing committees. (added to GC FUAL)</p>	Russ Hotsenpiller	Meeting: 07-Mar-2023 Target: 27-Jun-2023	In Progress
<p>6 That Trust Council direct Executive Committee to work with staff on a coordinated strategy and prepare a request that the Province revisit the provincial grant funding formula to the Islands Trust.</p>	Russ Hotsenpiller	Meeting: 07-Mar-2023 Target: 27-Jun-2023	In Progress
<p>7 Trust Council respond to Minister Kang to the effect that Trust Council will revisit the request for a review of Islands Trust mandate, governance and structure, at September Trust Council and provide the minister with an update.</p>	Russ Hotsenpiller	Meeting: 07-Mar-2023 Target: 26-Sep-2023	In Progress
<p>8 Amend the Strategic Plan to extend the Strategic Plan through 2024/25 as an interim strategic plan with the following changes:</p> <ol style="list-style-type: none"> 1. Corporate Planning is adopted as a priority for Trust Council 2. Prioritizing elements of the strategic projects that support land use decision making 3. Update the strategic initiatives related to housing to focus on projects that will develop healthy, resilient island communities by employing two lenses: mitigating and adapting to the effects of climate change, and managing growth by cultivating equitable, inclusive and resilient communities and the natural environment 	Russ Hotsenpiller	Meeting: 28-Jun-2023 Target: 27-Sep-2023	In Progress

Follow Up Action Report

Trust Council

Director Legislative Services

Activity	Responsibility	Dates	Status
<p>1 Trust Council requested Executive Committee follow up with the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD) around forest management.</p>	<p>Clare Frater David Marlor</p>	<p>Meeting: 12-Mar-2020 Target: 06-Dec-2023</p>	<p>In Progress</p>
<p>2 That Trust Council request staff to recommend amendments to Trust Council Policy 6.3.2 to address the use of unspent special property tax requisition funds on new programs or initiatives when the original program or initiative remains ongoing.</p>	<p>David Marlor Julia Mobbs</p>	<p>Meeting: 15-Sep-2020 Target: 06-Dec-2023</p>	<p>In Progress</p>
<p>3 Trust Council asked staff to provide recommendations about how to broaden engagement and capacity building within local communities, particularly with respect to involving First Nations, in the work of the Islands Trust Area.</p>	<p>Clare Frater David Marlor</p>	<p>Meeting: 10-Mar-2021 Target: 16-Oct-2026</p>	<p>In Progress</p>
<p>4 Trust Council direct staff to specify that the Legislative Services, Meeting Administrator position be named as temporary for one year.</p>	<p>David Marlor Julia Mobbs</p>	<p>Meeting: 07-Mar-2023 Target: 01-Apr-2024</p>	<p>In Progress</p>

Follow Up Action Report

Trust Council

Director Legislative Services

Activity	Responsibility	Dates	Status
5 Staff to report back with options and implications of changing the selection process established in Trust Council Policy 2.3.1 Council Committee Systems for the Financial Planning Committee so that membership is determined by Trust Council election and; THAT Trust Council change the process for appointing the FinancialPlanning Committee established in Policy 2.3.1 Council CommitteeSystems, by limiting the appointment under current policy to 6 monthspending adoption of a new selection policy, at which time a new FinancialPlanning Committee could be decided by the new policy failing which, theexisting Financial Planning Committee will remain in office.	David Marlor	Meeting: 18-Nov-2022 Target: 27-Jun-2023	Completed
6 Staff to discuss, with interested trustees, requirements and options and report back on possibilities and effort required to improve Trustee access to key documents.	David Marlor	Meeting: 29-Jun-2023 Target: 27-Sep-2023	In Progress
7 Staff consider options and report back on possibilities and effort required to provide Trustee view access to integrated calendar of Trust Meetings.	David Marlor	Meeting: 29-Jun-2023 Target: 28-Sep-2023	In Progress

Director of Planning Services

Activity	Responsibility	Dates	Status
1 Executive Committee to develop a communications strategy and materials to support awareness of the housing affordability advocacy request and rationale.	Clare Frater Stefan Cermak	Meeting: 22-Sep-2022 Target: 14-Mar-2023	In Progress

Follow Up Action Report

Trust Council

Director of Planning Services

Activity	Responsibility	Dates	Status
2 Trust Council host a panel session about housing challenges and solutions in the Islands Trust Area as part of trustee education.	Stefan Cermak	Meeting: 22-Sep-2022 Target: 14-Mar-2023	In Progress
3 That Trust Council coordinate a round table on housing, to include BC Housing, key ministers, housing leaders from island communities, and others, within the first six months of the new term.	Stefan Cermak	Meeting: 22-Sep-2022 Target: 23-Mar-2023	In Progress
4 Director of Planning Services request the Office of the Ombudsperson to undertake a comprehensive review of the enforcement related policies and practices of the Islands Trust, and recommend such improvements and changes to them as may be required to bring the policies and practices into conformity with best practices for local government bylaw enforcement.	Stefan Cermak	Meeting: 08-Mar-2023 Target: 26-Sep-2023	In Progress
5 Staff to: a) evaluate the implications of a longer referral response window, and; b) consider how Trust Council and local trust committees (LTC's) might consult with First Nations to better understand what changes to the current referral process should be made to both improve communication and to further reconciliation, and report back to Trust Council.	Clare Frater Stefan Cermak	Meeting: 29-Jun-2023 Target: 06-Dec-2023	In Progress

Director, Administrative Services

Activity	Responsibility	Dates	Status
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Follow Up Action Report

Trust Council

Director, Administrative Services

Activity	Responsibility	Dates	Status
1 That Trust Council request staff to recommend amendments to Trust Council Policy 6.3.2 to address the use of unspent special property tax requisition funds on new programs or initiatives when the original program or initiative remains ongoing.	David Marlor Julia Mobbs	Meeting: 15-Sep-2020 Target: 06-Dec-2023	In Progress
2 Trust Council direct staff to specify that the Legislative Services, Meeting Administrator position be named as temporary for one year.	David Marlor Julia Mobbs	Meeting: 07-Mar-2023 Target: 01-Apr-2024	In Progress
3 Staff to research the possibility of self-insurance.	Julia Mobbs	Meeting: 27-Jun-2023 Target: 06-Dec-2023	In Progress

Director, Trust Area Services

Activity	Responsibility	Dates	Status
1 Trust Council requested Executive Committee follow up with the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD) around forest management.	Clare Frater David Marlor	Meeting: 12-Mar-2020 Target: 06-Dec-2023	In Progress
2 That Trust Council request that the Executive Committee support Bowen Island Municipality in its efforts to oppose recreational use of motorized vehicles on Mount Gardner Crown land, subject to Bowen Island's Municipality First Nations consultation.	Clare Frater	Meeting: 17-Jun-2020 Target: 06-Dec-2022	In Progress

Follow Up Action Report

Trust Council

Director, Trust Area Services

Activity	Responsibility	Dates	Status
3 Cooperate and work with Dr. Tara Martin's delegation re data sharing of Coastal Douglas-fir.	Clare Frater	Meeting: 17-Jun-2020 Target: 06-Dec-2022	In Progress
4 That Trust Council issue a NAPTEP certificate for the R. Leader property (Parcel Identifier 000-395-081) subject to registration of a conservation covenant and completion of a baseline inventory report consistent with the standards developed for NAPTEP.	Clare Frater Kate Emmings Kathryn Martell	Meeting: 03-Dec-2020 Target: 06-Dec-2023	In Progress
5 Trust Council asked staff to provide recommendations about how to broaden engagement and capacity building within local communities, particularly with respect to involving First Nations, in the work of the Islands Trust Area.	Clare Frater David Marlor	Meeting: 10-Mar-2021 Target: 16-Oct-2026	In Progress
6 That Trust Council request staff to provide a report outlining potential options for how the Trust and local trust committees can engage and assist with the Coast Guard Oil Spill response planning process.	Clare Frater	Meeting: 22-Sep-2021 Target: 16-Oct-2026	In Progress
7 Trust Council approved issuance of an increased Natural Area Exemption Certification for the application to expand of the Nighthawk Hill NAPTEP area subject to registration of an appropriate expanded conservation covenant with the Islands Trust Conservancy.	Clare Frater Kate Emmings Kathryn Martell	Meeting: 02-Dec-2021 Target: 15-Dec-2023	In Progress
8 Policy Statement Amendment Project - Amend draft Bylaw No. 183 as directed by adopted resolutions.	Clare Frater	Meeting: 21-Sep-2022 Target: 07-Sep-2026	In Progress

Follow Up Action Report

Trust Council

Director, Trust Area Services

Activity	Responsibility	Dates	Status
<p>9 Continue to build staff-to-staff relationships with First Nations who provided input to the Policy Statement Amendment Project in Phases 1 and 2 of early and meaningful engagement, and provide additional capacity funding to support continued First Nations engagement on this project.</p>	Clare Frater	Meeting: 21-Sep-2022 Target: 16-Oct-2026	In Progress
<p>10 Coordinate the provision of expert advice and training to the incoming Trust Council, early in the new term, on the theme of public engagement and consultation, building on lessons learned from the first three phases of Islands 2050 public engagement from 2019 - 2022.</p>	Clare Frater Russ Hotsenpiller	Meeting: 21-Sep-2022 Target: 15-Dec-2023	In Progress
<p>11 In cooperation with Executive Committee, provide a list of needed resources in priority order to advance the Trust's reconciliation activity with First Nations in British Columbia that Council may debate and endorse for advocacy to British Columbia.</p>	Clare Frater Russ Hotsenpiller	Meeting: 22-Sep-2022 Target: 27-Jun-2023	In Progress
<p>12 Executive Committee to develop a communications strategy and materials to support awareness of the housing affordability advocacy request and rationale.</p>	Clare Frater Stefan Cermak	Meeting: 22-Sep-2022 Target: 14-Mar-2023	In Progress
<p>13 Extend the timeline for issuing the Natural Area Exemption Certificate for Natural Area Protection Tax Exemption Program application SS-NAP-2020.3 (Salt Spring Island) until December 2024.</p>	Clare Frater Kate Emmings	Meeting: 06-Dec-2022 Target: 31-Dec-2024	In Progress

Follow Up Action Report

Trust Council

Director, Trust Area Services

Activity	Responsibility	Dates	Status
14 THAT a reconciliation learning group be initiated comprised of trustees who indicate interest; and that a learning plan be developed and implemented through monthly, virtual meetings.	Clare Frater	Meeting: 07-Mar-2023 Target: 26-Mar-2024	In Progress
15 Forward approved 2022/23 Annual Report to the Minister of Municipal Affairs by Fall deadline.	Clare Frater	Meeting: 28-Jun-2023 Target: 13-Sep-2023	In Progress
16 Staff to: a) evaluate the implications of a longer referral response window, and; b) consider how Trust Council and local trust committees (LTC's) might consult with First Nations to better understand what changes to the current referral process should be made to both improve communication and to further reconciliation, and report back to Trust Council.	Clare Frater Stefan Cermak	Meeting: 29-Jun-2023 Target: 06-Dec-2023	In Progress

Ecosystem Protection Specialist

Activity	Responsibility	Dates	Status
1 That Trust Council issue a NAPTEP certificate for the R. Leader property (Parcel Identifier 000-395-081) subject to registration of a conservation covenant and completion of a baseline inventory report consistent with the standards developed for NAPTEP.	Clare Frater Kate Emmings Kathryn Martell	Meeting: 03-Dec-2020 Target: 06-Dec-2023	In Progress

Follow Up Action Report

Trust Council

Ecosystem Protection Specialist

Activity	Responsibility	Dates	Status
2 Trust Council approved issuance of an increased Natural Area Exemption Certification for the application to expand of the Nighthawk Hill NAPTEP area subject to registration of an appropriate expanded conservation covenant with the Islands Trust Conservancy.	Clare Frater Kate Emmings Kathryn Martell	Meeting: 02-Dec-2021 Target: 15-Dec-2023	In Progress

Manager, Islands Trust Conservancy

Activity	Responsibility	Dates	Status
1 That Trust Council issue a NAPTEP certificate for the R. Leader property (Parcel Identifier 000-395-081) subject to registration of a conservation covenant and completion of a baseline inventory report consistent with the standards developed for NAPTEP.	Clare Frater Kate Emmings Kathryn Martell	Meeting: 03-Dec-2020 Target: 06-Dec-2023	In Progress
2 Trust Council approved issuance of an increased Natural Area Exemption Certification for the application to expand of the Nighthawk Hill NAPTEP area subject to registration of an appropriate expanded conservation covenant with the Islands Trust Conservancy.	Clare Frater Kate Emmings Kathryn Martell	Meeting: 02-Dec-2021 Target: 15-Dec-2023	In Progress
3 Extend the timeline for issuing the Natural Area Exemption Certificate for Natural Area Protection Tax Exemption Program application SS-NAP-2020.3 (Salt Spring Island) until December 2024.	Clare Frater Kate Emmings	Meeting: 06-Dec-2022 Target: 31-Dec-2024	In Progress



Resolutions Without Meetings Log

Trust Council

Resolution Number	Action	Date
2023-003 Adopt Islands Trust Council Bylaw 192, cited as "Revenue Anticipation Borrowing Bylaw 2023-2024". It was Moved by Trustee Gauvreau and Seconded by Trustee Maude, That Islands Trust Council Bylaw 192, cited as "Revenue Anticipation Borrowing Bylaw 2023-2024", be adopted.	Carried	16-Jun-2023
2023-002 Adopt Islands Trust Council Bylaw 191, cited as the "Financial Plan Bylaw 2023-2024". It was Moved by Trustee Peterson and Seconded by Trustee Dodds, That Islands Trust Council Bylaw 191, cited as "Financial Plan Bylaw 2023-2024", be adopted. The Minister's office provided their approval on May 2, 2023.	Carried	13-Jun-2023



CHIEF ADMINISTRATIVE OFFICER

2nd QUARTER REPORT

September 2023, North Pender Island

The September 2023 Trust Council meeting will be focused upon discussion of major themes including the scope of the preserve and protect mandate, the adoption of a corporate planning framework and an exercise in visioning. Work in the summer has focused upon developing material and context for these discussions.

Trust Council or Executive Committee have yet to meet with Bowen Island Council, a regular and important meeting early in a new term. There will be an opportunity at the upcoming UBCM meeting for EC to engage with Council informally, which will lead to an official meeting, hopefully in October. The recent Cape Roger Curtis park project on Bowen has led to an examination of the relationship of Bowen Municipality and Executive Committee in particular with regard to Bowen's letters patent and the existing protocol agreement.

UBCM is being held in Vancouver the week preceding Trust Council. We will host a breakfast for provincial, federal and local government officials, and others, interested in getting to know the Trust and what it does. We will also have met with Minister Kang and Minister Fleming and will be able to report to Trust Council at our meeting. The Islands Trust has sponsored a resolution *requesting that the province urgently proceed with legislation, informed by new agreements and reports, co-developed with First Nations, that enables legal and financial mechanisms for the protection of biodiversity, ecosystem health and species at risk in British Columbia.* Certainly, trustees will be informed as to the fate of the resolution post UBCM.

Early budgeting for fiscal 2025, including the development of draft business cases, has been a priority during the late summer. Committees will have reviewed their work programs and made initial budget submissions for review by Financial Planning Committee in mid October. This is the first draft of the upcoming budget, destined for adoption in March 2024. Trustees should be aware that our lease at the Salt Spring office is concluding and we will require new space and likely renovations in the next fiscal year. Options are currently being developed.

From a staffing perspective, we sadly have said goodbye to some real contributors at the Islands Trust: Mark Van Bakel and Dilani Hippola. Dilani provided significant research, writing and organizing to the policy statement work and leaves having made a strong contribution to the Trust. Mark leaves a big hole on our Information Services team. He brought us into the modern era in terms of our computer and connection systems and will be hard to replace. He moves on to the City of Victoria. By now many of you will have met Robyn Kefi, our new Senior Indigenous Relations Advisor. Robyn has moved swiftly into operation and has attended a number of meetings with staff and First Nations. The Reconciliation

Learning Group has been initiated and we look forward to their learning and the advancement of the Trust in this critical area. Robyn will be at Trust Council to meet trustees.

Over the last few weeks I have had the opportunity to meet with Ministry staff, staff at MIRR and regional local administrators. A meeting between EC and the Conservancy Board was held on July 18 and discussion was had regarding scheduling more frequent meetings in the coming year. A meeting was held with Regional District of Nanaimo staff in late August.

Russ Hotsenpiller
CAO

Active Projects Report

Executive Committee

1. Update Islands Trust Policy Statement

With involvement from Trust Programs Committee as appropriate, co-ordinate a review of the Policy Statement including a First Nations and public engagement process. Updated Project charter approved March 2023. (Strategic Plan 3.1, 4.4 , 5.6, 5.7)

Responsible

Clare Frater
Russ Hotsenpiller

Dates

Rec'd: 26-Feb-2020
Target: 26-Sep-2023

2. First Nations Reconciliation

Develop Islands Trust First Nations Reconciliation and engagement planning (Strategic Plan Items 4.5 & 4.6)

Responsible

Russ Hotsenpiller

Dates

Rec'd: 02-Sep-2020

3. Provincial Funding Strategy

Develop a strategy to increase the provincial financial contribution to the Islands Trust.

Responsible

Russ Hotsenpiller

Dates

Rec'd: 07-Mar-2023

4. Strategic Planning

Guide the development and implementation of the Islands Trust Strategic Plan.

Responsible

Russ Hotsenpiller

Dates

Rec'd: 03-May-2023

Active Projects Report

Executive Committee

5. *Communications*

Responsible

Dates

Development of an Islands Trust Communications Strategy.

Clare Frater
Russ Hotsenpiller

Rec'd: 03-May-2023

Future Projects Report

Executive Committee

1. *Marine Ecosystems*

Responsible

Date Received

Advance the preservation and protection of marine ecosystems.

03-May-2023

2. *MOTI MOU's*

Responsible

Date Received

To engage with the Ministry of Transportation on a updated Memorandum of Understanding.

03-May-2023

3. *Climate Change Emergency*

Responsible

Date Received

Programming associated with the Climate Change declaration of the Islands Trust.

03-May-2023

The review (Ombudspersons Report) has been completed and is attached to this Request for Decision (see Attachment 1: “Voluntary Consultation on Bylaw Enforcement Policies and Practices within the Islands Trust”, dated August 2023).

The Ombudspersons Report was informed by Islands Trust documents:

- Bylaw Compliance and Enforcement Policy 5.5.1
- Bylaw Compliance and Enforcement Best Practices and Procedures
- Handling of Administrative Fairness Complaints Policy 7.1.2
- Bylaw Compliance and Enforcement FAQ pamphlet; and
- Various internal documents (ex: flow charts, templates, and forms)

The Ombudspersons Report drew on numerous resources to evaluate how administrative fairness may be enhanced including providing examples of other jurisdictions. The report outlines the best practice to have a bylaw complaints policy that provides direction to staff and information for the public. Most substantively, the report provides detailed recommendations how to improve policy and procedure content including how to improve a general complaints policy (ex: complaints from the public against staff performance). A brief description of recommendations and staff’s preliminary comments are below.

Best Practice: To have a bylaw complaints policy that provides direction to staff and information for the public	
Recommendation	Comment
Make policies, best practices and procedures publically available	Currently only the policy is publically available; procedures may also be made available
Update policy to reflect best practices and procedures document	Current overlap between policy and procedure, recommend updating both documents
Include a policy to assist staff in exercising discretion	Recommend including in comprehensive policy amendment
What to include within a publicly available policy on bylaw complaints	
Various content recommendations (purpose, guiding principles, definitions, roles and responsibilities, confidentiality, procedures for handling complaints about bylaw violations)	Numerous specific recommendations may be incorporated when updating policies and procedures. New additions would include “definitions”, “confidentiality”, sub procedures for handling complaints, “equitable enforcement”, and “complaints closed following an investigation”
Update communications (forms, letters, and other communications) to follow principles of administrative fairness and to ensure that the reader is in mind	Communications should be updated to ensure that Individuals are provided with adequate notice of decisions, information about their opportunity to be heard within the bylaw enforcement process, fulsome, clear and understandable reasons for decisions, and information on review or appeal options available to them.

Additional complaints related to bylaw enforcement (staff)	
Amend “Handling of Administrative Fairness Complaints” Policy to reflect its function as a general complaints policy.	This would help provide clarity to the public, staff and elected officials. These revisions can be made with suggested edits from resources provided.

Following receipt of this work, Trust Council may provide direction on how it wishes to proceed, either to continue with current practice or direct changes in either policy, practice or both.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL:

Updating Bylaw Compliance and Enforcement Policies and Procedures will be added to the Executive Committee work program. Staff resourcing may be challenging and compete with current other policy amendments currently being worked on. Prioritization of policy amendments may be reconsidered.

FINANCIAL:

Staff may be able to draft amendments as described although Trust Council or Executive Committee may prefer to have an external contractor perform this function. A work plan would need to be created to assess cost and estimated resources.

POLICY:

- Bylaw Compliance and Enforcement Policy 5.5.1
- Bylaw Compliance and Enforcement Best Practices and Procedures
- Handling of Administrative Fairness Complaints Policy 7.1.2

IMPLEMENTATION/COMMUNICATIONS:

The current “draft” Bylaw Compliance and Enforcement Best Practices and Procedures could be posted online with removal of draft label. Communications will be included in Trust Council decision highlights. Further communications may be considered when revised policies and procedures are presented to Trust Council. New policies and procedures will require staff orientation and training. A change management plan may accompany draft revisions.

FIRST NATIONS:

First Nations have not been specifically addressed in this report.

OTHER:

4 RELEVANT POLICY(S):

- Bylaw Compliance and Enforcement Policy 5.5.1
- Bylaw Compliance and Enforcement Best Practices and Procedures
- Handling of Administrative Fairness Complaints Policy 7.1.2

5 ATTACHMENT(S):

1. Voluntary Consultation on Bylaw Enforcement Policies and Practices within the Islands Trust, Office of the Ombudsperson, dated August 2023

RESPONSE OPTIONS**Recommendation:**

That Trust Council request the Executive Committee to manage implementation of the recommendations in the Office of Ombudsperson Report titled: "Voluntary Consultation on Bylaw Enforcement Policies and Practices within the Islands Trust", dated August 2023.

Alternative:

That Trust Council not proceed with amending Bylaw Compliance and Enforcement Policies and Procedures or the Handling of Administrative Fairness Complaints policy.

That Trust Council request staff for more information [list requested information].

Prepared By: Stefan Cermak, Director, Planning Services

Reviewed By/Date: Russ Hotsenpiller, September 8, 2023

VOLUNTARY CONSULTATION ON BYLAW ENFORCEMENT POLICIES AND PRACTICES WITHIN THE ISLANDS TRUST

**CONSULTATION AND TRAINING TEAM
OFFICE OF THE OMBUDSPERSON**



OMBUDSPERSON
BRITISH COLUMBIA

AUGUST 2023

Table of Contents

- Introduction**..... 2
- Scope of Consultation** 3
- Administrative Fairness in Bylaw Enforcement** 3
- Feedback on administrative fairness within the Islands Trust’s current policies and practices related to bylaw enforcement** 5
 - Best Practice: to have a bylaw complaints policy that provides direction to staff and information for the public 5
 - What to include within a publicly available policy on bylaw complaints 5
 - Forms, letters and other communications with individuals should reflect administrative fairness 10
- Additional complaints related to bylaw enforcement**..... 11
- Summary**..... 11
- Voluntary Consultation Policy** 13

Introduction

The following feedback is provided by the Office of the Ombudsperson's Public Authority Consultation and Training team at the request of the Director of Planning Services of the Islands Trust. This request was in response to the Islands Trust's Trust Council resolution, passed at the Trust Council's quarterly meeting on March 10, 2023. We understand that the resolution states:

That the Director of Planning Services request the Office of the Ombudsperson to undertake a comprehensive review of the enforcement related policies and practices of the Islands Trust, and recommend such improvement and changes to them as may be required to bring the policies and practices into conformity with best practices for local government bylaw enforcement.

We appreciate the opportunity to learn more about bylaw enforcement within the Islands Trust, and to provide feedback from our perspective on fairness. While we hope that the information we provide is helpful, this feedback should not be taken as legal advice or formal recommendations from the Ombudsperson. Our Voluntary Consultation Policy, which was previously provided as well, is attached at the conclusion of this document for your reference. Please note that it highlights that consultations do not limit, bind or bias the Office of the Ombudsperson from future analysis or investigation of a complaint that may relate to this consultation.

To inform our consultation and subsequent feedback, we have reviewed the following Islands Trust documents:

- Bylaw Compliance and Enforcement Policy 5.5.1;
- Bylaw Compliance & Enforcement Best Practices & Procedures internal document (currently labeled as "draft");
- Handling of Administrative Fairness Complaints Policy 7.1.2;
- Bylaw Compliance and Enforcement Frequently Asked Questions pamphlet; and
- Various flow charts, forms, and template letters utilized by bylaw enforcement staff throughout the course of their work.

We also completed our own research into bylaw enforcement and reviewed our office's [Bylaw Enforcement: Best Practices Guide for Local Governments](#). This *Guide* provides relevant guidance on ensuring that bylaw enforcement policies and practices are administratively fair, and we will not be repeating all of that guidance within this feedback. In addition, we reviewed our Best Practices Checklists at the conclusion of our *Guide*.

As part of our review, we also looked at the bylaw enforcement policies of other local governments, including the [City of Coquitlam's](#) Bylaw Enforcement Policy available on their website, the [District of Clearwater's policy](#), and the [Columbia Shuswap Regional District's](#), each of which have details within them and wording which may be useful. We are sharing these as examples and for reference and not as an endorsement or recommendation of these policies.

This report is intended for the use of the Islands Trust to assist with revising bylaw enforcement policies and practices in accordance with administrative fairness. Our review and feedback fall under section 9 of the *Ombudsperson Act*, and information obtained by staff at the Office of the Ombudsperson remains confidential.

Scope of Consultation

The scope of our consultation was to review the policies and procedures followed by bylaw enforcement staff at the Islands Trust and to provide our feedback and suggestions on ways in which administrative fairness may be enhanced.

As part of the consultation, we did not review previous bylaw enforcement activities within the Islands Trust. This is because our team is unable to audit specific bylaw enforcement events or past scenarios. Our team does not review or comment on individual cases; instead, we are focused on providing administrative fairness feedback to enhance policies and procedures at public organizations under the jurisdiction of the *Ombudsperson Act*.

In addition, it is outside the scope of our consultation to provide feedback on the section within the Best Practices & Procedures internal document which addresses the Bylaw Enforcement Notices and Dispute Adjudication System (section D) and associated forms and flow charts. This is because the decisions made within that process are made in accordance with the individual bylaws of the Islands Trust areas, the *Local Government Bylaw Notice Enforcement Act*, and the Bylaw Notice Enforcement Regulation, and we generally do not comment on procedures set out in legislation unless requested as part of a review of the legislation. However, as this process is the primary appeal process regarding bylaw violations for the Islands Trust, we would like to highlight our Quick Tip document [Leading Practices in Conducting Appeals](#) for general information on administrative fairness within appeal processes.

Administrative Fairness in Bylaw Enforcement

Our Office's [Bylaw Enforcement: Best Practices Guide for Local Governments](#), states that "administrative fairness refers broadly to an overall approach to administrative decision-making that is transparent, fair and accountable" (page 7). For a detailed list of what fairness means within bylaw enforcement, see page 7 of the *Guide*.

In the context of bylaw enforcement, having administratively fair, reasonable, and transparent practices in bylaw enforcement can help to instill public confidence in your organization and to resolve bylaw matters efficiently and with minimal conflict.

Generally, a key aspect of administrative fairness is meeting the duty of procedural fairness. This requires that decision makers follow a fair decision-making process when making decisions that impact the rights, privileges, and interests of an individual or an organization. There are two key aspects of the duty of procedural fairness:

- **The right to an impartial decision maker:** Impartiality is about the state of mind and attitude of the decision maker. To be impartial, decision makers must be unbiased, have an open mind and not prejudge the case or decision they will make.
- **The right to be heard and participate in the decision-making process:** Individuals or groups who are impacted by decisions have a right to participate and be heard in the decision-making process. This includes being notified in advance of the decision being made, and receiving information about the decision-making rules and criteria, as well as the decision-making process the decision maker will follow. It also includes providing an opportunity for those impacted by the decision to be heard and have their information considered in the decision-making process.

Procedural fairness also generally requires providing clear and understandable reasons for the decision and information about any available appeal or review options. In addition, procedural fairness requires a timely decision-making process.

In the context of bylaw enforcement, the duty of procedural fairness applies to bylaw enforcement staff whenever they are making a decision that directly impacts a person or organization's rights, privileges or interests.

Below we have summarized principles of administrative fairness, including procedural fairness considerations, that we suggest be incorporated into the current bylaw enforcement policies and practices for the Islands Trust and which we will discuss further in our feedback below. These include:

- Providing individuals with notice of decisions related to bylaw enforcement. This includes providing notice that a potential bylaw infraction is being investigated and providing notice of inspections of private property. It also includes providing notice of any potential enforcement action.
- Providing those who are impacted by bylaw enforcement activities, including investigations, with an opportunity to be heard and participate in the process, and at multiple times within the process when decisions are being made.
- Ensuring that individuals who are impacted by decisions are provided with understandable and meaningful reasons for the decision(s) made throughout the bylaw investigation and enforcement process. We have a Quick Tip document on [The Reasons for Reasons](#) which bylaw enforcement staff may find useful.
- Transparency is an important part of administrative fairness. As such, the policy and procedures followed by the Islands Trust in bylaw enforcement which indicate the decision-making processes used by bylaw enforcement staff should be publicly accessible (ie. on the Islands Trust's website).
- Exercising discretion fairly is integral, as much of bylaw enforcement and related decisions are discretionary on the part of bylaw enforcement staff. We have a Quick Tip document on [Exercising Discretion Fairly](#) which may be useful.
- Managing the expectations of individuals is very helpful for maintaining positive relationships with those who may be involved in bylaw enforcement. Therefore, it is beneficial to set out and follow timelines within the Islands Trust's policies and procedures in relation to bylaw enforcement.

Feedback on administrative fairness within the Islands Trust’s current policies and practices related to bylaw enforcement

Best Practice: to have a bylaw complaints policy that provides direction to staff and information for the public

Our *Bylaw Enforcement: Best Practices Guide* states that a best practice is for “[l]ocal governments [to] develop and implement a bylaw complaints policy that provides direction to staff and information for the public about: how to make complaints; which staff members are responsible for receiving, recording and responding to complaints; how staff will record and respond to complaints; [and] how complainants will be informed of outcomes” (see pages 18-20). Having such a policy which is available publicly is important for several reasons: it ensures consistency on the part of the local government; it supports transparency and fairness in the processes followed; and it can enhance the efficiency of responding to and resolving any identified bylaw violations as all parties will have a shared understanding of the process being followed.

We understand from you that the Islands Trust currently has a publicly available Bylaw Compliance and Enforcement Policy and an internal Bylaw Compliance & Enforcement Best Practices & Procedures document for staff. The internal document sets out in some detail the bylaw enforcement process.

We would suggest, regardless of what internal policies or procedures are maintained, that a publicly available policy be drafted that comprehensively sets out the Islands Trust’s approach to bylaw complaints and enforcement in a clear and detailed manner. This policy should specifically set out the steps that will be taken to ensure bylaw enforcement decisions are made fairly. Furthermore, we note that there are aspects within the Islands Trust’s internal Best Practices & Procedures document which could be used to enhance the current publicly available Bylaw Compliance and Enforcement Policy. Once a publicly available policy is developed, it will be important to ensure that any internal documents related to bylaw enforcement are consistent with the publicly available processes and contain procedures which are administratively fair. We suggest you may also wish to seek legal advice to ensure the bylaw enforcement policy and process you adopt is legally sound and fair.

Additionally, our *Guide* also suggests having a policy (see pages 12-14) which assists staff in exercising discretion when making enforcement decisions. In our view, for the purposes of bylaw enforcement within the Islands Trust, information about how staff at the Islands Trust exercise discretion fairly when making enforcement decisions could be placed in the publicly available comprehensive policy as described above; a separate policy is not necessarily required.

What to include within a publicly available policy on bylaw complaints

Below we have set out some thoughts and suggestions for your consideration on the potential contents of a publicly available bylaw complaints policy:

- Purpose of bylaw complaints policy: We note that the current Policy and the Best Practices & Procedures internal document both have a general purpose statement which may be more appropriate for the section on Guiding Principles, (see below). A revised purpose statement could state that the policy is to establish the procedures for effectively and fairly receiving,

reviewing, recording, and responding to bylaw complaints, and addressing possible and confirmed bylaw violations within the Islands Trust. The Islands Trust's legal authority for enforcing bylaws should be stated here as well (we noted this is currently absent from both the Policy and the Best Practices & Procedures document).

- Guiding Principles: This section would be to clarify the overarching purpose of bylaw enforcement within the Islands Trust, ie. "[T]o ensure public safety and support the objective of the Islands Trust to preserve and protect the trust area and its unique amenities and environment for the benefit of residents of the trust area and of the province generally by ensuring compliance with Local Trust Committee's Bylaws" (taken from the Purpose within current Policy and the Best Practices & Procedures document).

The prioritization of bylaw violations can be helpful to include for both staff and the public. For example: 1. Safety to the public or environment, 2. Significant negative impact to others, 3. General nuisance. This would be more detailed than the current statement within the Best Practices & Procedures document which states "[t]his [complaint-based] system gives priority to those bylaw infractions of greatest concern to island communities" as you could specifically state which types of matters are given priority because they are considered to be of greatest concern. You may wish to review the bylaw enforcement policies from other local governments (see above) for examples of prioritization of bylaw complaints.

It would also be beneficial to clearly state that the objective is for bylaw enforcement action to be proportionate to the nature of the violation found. For this, you could utilize the statement within the Best Practices & Procedures document which states that "[c]ompliance is sought through a combination of education, mediation and enforcement techniques" (page 5).

The discretion held by the Islands Trust as to whether and how to enforce bylaws could be explained here as well. We note that the current Policy has both a section on "Priority of Investigation" as well as a section on "Commencing Investigations" which could be combined and clarified. In addition, we note that the Best Practices & Procedures and the Islands Trust FAQ for Bylaw Compliance and Enforcement states that bylaw enforcement is complaint-based and based on budget; this could also be acknowledged here.

- Definitions: We suggest including a comprehensive list of definitions of the terms used within the policy and pertinent to decisions related to bylaw enforcement. This section could clearly define a "bylaw complaint" and could incorporate the current wording used in the Best Practices & Procedures document which clarifies "[w]hat is not a complaint". In addition, "malicious" or "frivolous" complaints as referred to within the Best Practices & Procedures document could be defined, among other specific terms utilized.
- Roles and responsibilities: The policy should clearly state the roles and responsibilities of all staff and Trustees of the Islands Trust in relation to bylaw enforcement. While we note the Best Practices & Procedures document does refer to the roles and responsibilities of some staff involved, it may be useful to have a specific section which clearly outlines them.

- Confidentiality: We suggest including a specific section in the policy on confidentiality, as we noted that the internal Best Practices & Procedures document only references confidentiality in relation to the section titled “[c]omplainants must identify themselves”. This specific section could address the responsibility of all staff to maintain confidentiality and identify any specific parts of the process where staff have an obligation to maintain confidentiality. It could also highlight how the identity of an individual complaining about a possible bylaw violation will be kept confidential, and that the details of an investigation will be kept confidential by the Islands Trust. We suggest the policy also reference any specific legislation (for example: *FOIPPA*) or other sources of any confidentiality requirements.

- Procedures for handling complaints about bylaw violations: While we recognize that the Best Practices & Procedures document provides detail in this regard, we would suggest considering including sub-sections within the publicly available policy that cover the following:
 - o How bylaw complaints are received: This is in essence the section within the current Best Practices & Procedures document which currently states “How can complaints be sent to the Islands Trust”. We noted that the Best Practices & Procedures document states that while complaints must be submitted in writing, there are accommodations made for those who may have language related barriers. This supports accessibility to the bylaw complaint process and we would encourage you to enhance this to ensure that anyone who may have difficulty submitting a complaint in writing be supported by staff in order to do so. This could be achieved by including a statement within the policy and on any complaint forms which indicates that if a person has difficulty submitting a complaint in writing, they may contact the Islands Trust staff who will assist in taking their complaint. Ensuring that public services/programs are accessible to all is an important aspect of administrative fairness.

 - o Bylaw complaints will be acknowledged: Set out who will receive bylaw complaints, how, and within what number of days they will be acknowledged.

 - o Bylaw complaint review process: This part of the policy should set out the process Islands Trust staff will follow to review and determine whether to investigate a complaint. This is currently addressed in Section A3 of the Best Practices & Procedures document and you may wish to incorporate some or all of this content into the publicly available policy. Section A3 outlines that “[o]n receipt of a file, the BCEO will conduct a file analysis” and should do so within 3 working days. The section titled “What is a case file analysis” explains the criteria that will be used to determine whether to investigate the complaint. Ideally, a reference would be made back to the Purpose and Guiding Principles statements within the same policy.

 - o Investigations into possible bylaw violations: This part of the policy should explain the process that will be followed when investigating a bylaw complaint, including who is authorized to investigate complaints. Below we set out the topics that should be covered:

Notice of bylaw investigation and/or site inspection

The policy should set out the process that should be followed to notify the subject of a bylaw complaint of the complaint about them (this process will likely vary depending on the nature of the bylaw complaint) and also regarding any planned site inspection.

In most circumstances, a person should be provided with information about the nature of the possible bylaw violation being investigated and any relevant evidence in support of the violation so that they can respond to the allegation and provide information or evidence they have which is relevant to the investigation.

Our review of a template letter titled, in part, “Notice to Respondent” appears to provide this notice to individuals who are the subject of a bylaw investigation. The practice of providing these types of notice letters, though, is not explicitly stated within either the current policy or Bylaw Compliance & Enforcement Best Practices document; it may be what is referred to in this passage: “[w]hen a file is opened, the BCEAA will send an email...to the property owner/respondent” (page 11 of Bylaw Compliance & Enforcement Best Practices). However, it is unclear from the document exactly what the content and purpose of this email should be. Therefore, we would suggest that the notification process to individuals who are the subject of a bylaw investigation, as stated above, be set out within the publicly available policy.

There may be some circumstances when it may be reasonable to commence a bylaw investigation and/or conduct a site inspection without providing notice to the subject of the investigation. We suggest the Islands Trust’s policy clearly state which types of circumstances this may occur (such as immediate threat to life, environment or human health), the legal authority for acting without notice, and the steps that will be taken to ensure notice is provided at the earliest opportunity. A fulsome discussion on inspecting private property as part of a bylaw enforcement investigation begins on page 30 of our *Guide*. As it acknowledges, an inspection on private property can be a significant intrusion into a space that would otherwise be private. In particular, individuals may have personal circumstances which could lead them to feel threatened, intimidated, or otherwise uncomfortable with a bylaw enforcement staff member attending their property without providing adequate notice.

Currently, the Best Practices & Procedures document indicates that for all bylaw complaints where there may be a potential violation, the Bylaw Compliance and Enforcement Officer (BCEO) will conduct a site inspection of the property for multiple purposes (section A4). However, there is no explicit requirement that the BCEO provide notice of the property inspection to the individual (identified as the Respondent) or information about the nature of the bylaw complaint regarding them/their property and the reasons the BCEO has for investigating the complaint. There is only a requirement that the BCEO send a letter to the Respondent when they have “confirmed by inspection or other means that a contravention of a bylaw has occurred or is occurring” (Best Practices & Procedures page 11, “Communications with Respondents”). In addition, section 4.4 of the Best Practices & Procedures document states that “BCEOs

have the legal authority to conduct an inspection, sometimes with notice, but for most of the land use bylaws, no notice is required”.

Our *Bylaw Enforcement: Best Practices Guide* (pages 31 to 32), states that while local governments do not need a warrant or permission from the owner or occupier to enter property, inspections must be done in a reasonable manner and at a reasonable time, and an inspector must take reasonable steps to advise the owner or occupier before entering the property. Therefore, it is important to set out the legal authority that the Islands Trust has to enter a property in order to inspect the property which is the subject of a bylaw investigation. The publicly available policy should also set out what process will be followed to enter a property (both with and without notice) and outline how this process meets any legal requirements. We would suggest that further review of the current approach be undertaken to ensure that the current approach is reasonable and is consistent with legal and fairness principles.

In addition, we would suggest removing section A6 of the Best Practices & Procedures document which states that “[w]hen visiting properties, BCEOs have no obligation to respond to questions directed to them” as this is not aligned with the principles of administrative fairness. Generally, being administratively fair requires letting individuals who are the subject of the bylaw complaint investigation know the purpose of your visit and answering any reasonable questions related to the visit and to any bylaw complaint investigation that is underway.

To summarize the above, the publicly available policy should require that, subject to specific exceptions set out in the policy, BCEO’s should notify the subject of a bylaw investigation of an investigation into a potential bylaw violation, including information about the nature of the violation being investigated. This includes providing notice to individuals of the need for a site inspection in order to gather evidence. While doing so, it is important to meet any privacy or confidentiality obligations that may exist in each circumstance.

Opportunity to be Heard

Providing the opportunity to be heard is an important aspect of administrative fairness; this means notifying a person about an alleged bylaw infraction and providing them a chance to respond. It is important that the policy explain when and how the subject of the bylaw complaint will be provided with an opportunity to be heard and participate in the investigative process.

Progressive enforcement

This section of the publicly available policy can also detail the progressive enforcement steps that bylaw enforcement staff will take if a bylaw violation is found through an investigation; section A7 of the Best Practices & Procedures internal document could be used here. In addition, this section of the policy could also address the discretion (referred to as ‘judgement’ within the Best Practices & Procedures) held by those staff involved in bylaw enforcement. This may include setting out how bylaws will generally

be interpreted and what factors will be considered to determine whether and how to take bylaw enforcement action with respect to a bylaw violation.

Equitable enforcement

In addition, you may also wish to include a requirement that bylaw enforcement staff be equitable in their approach. This means that bylaw enforcement staff should consider each person's unique circumstances when determining the appropriate and fair investigative approach and enforcement actions to take in relation to bylaw complaints. A discussion and example of what this may look like in practice can be found in our *Bylaw Enforcement: Best Practices Guide* on page 41.

- Complaints closed following an investigation: The policy should state when a complaint will be closed after an investigation is completed (and if applicable, any related bylaw enforcement action is taken) and how those impacted by the closure of the file (particularly the person who made the bylaw complaint and the person subject to the bylaw complaint) will be notified of that decision. It should also include a requirement, within the bounds of any privacy or confidentiality requirements, to explain the outcome of the bylaw investigation and the reasons for any decision to enforce or not enforce a bylaw. Information should be included regarding any available review or appeal options. While the current Best Practices & Procedures document does address the circumstances when files will be closed (page 5 and also page 8), there are details which could be added to ensure the closure of files is completed in a way which is administratively fair; including ensuring that the reasons for the decision to close the file are provided to individuals (identified as the Respondent) along with information on how to appeal decisions made by bylaw enforcement staff.

Forms, letters and other communications with individuals should reflect administrative fairness

As part of our consultation, we reviewed a number of template letters and forms which it appears that bylaw enforcement staff use, and which are referred to or linked within the Best Practices & Procedures internal document, when communicating with individuals who may be involved in bylaw enforcement. As part of our review, we will not offer individual comments on the template documents, but rather more general comments as set out below. First, we note that it is important for the forms and template letters, as well as all other communications with individuals, to be consistent with and demonstrate that the Islands Trust is following the principles of administrative fairness. This means that, when communicating with individuals, individuals should be provided with adequate notice of decisions, information about their opportunity to be heard within the bylaw enforcement process, fulsome, clear and understandable reasons for decisions, and information on review or appeal options available to them.

Additional details on the importance of reasons and how to provide meaningful and understandable reasons can be found within our [The Reasons for Reasons](#) Quick Tip document (also referred to above). Overall, it is important that the reasons for decisions include:

- The issue(s) decided upon, or to be decided upon

- The facts, information and evidence considered by the decision-maker
- The decision-making criteria (such as the bylaw)
- An analysis by the decision-maker
- The decision itself, and
- Appeal and review options available.

It is also important for communications with individuals to be understandable while being informative, particularly for those who may have no knowledge of the subject matter (such as bylaws and bylaw enforcement) and keeping in mind the goal of compliance with bylaw enforcement. Our Reasons for Reasons document highlights that when providing written reasons, the reasons should be drafted with the reader in mind and be written in a way that is understandable to them. Our review indicates that some of the forms and template letters being used by bylaw enforcement staff are formal and may be difficult for individuals to understand, and we would encourage you to review these while considering all aspects of administrative fairness and legal requirements.

Additional complaints related to bylaw enforcement

It is important to note that the Islands Trust may also receive complaints which are not about alleged bylaw violations but may still relate to bylaw enforcement, such as the conduct of bylaw enforcement staff. It is important to have an established process for receiving and responding to all types of complaints, including those regarding staff conduct. Therefore, we suggest it is important that the Islands Trust have a general complaints policy which addresses any complaints and concerns related to services provided and decisions made by the Islands Trust generally.

Our review of the Handling of Administrative Fairness Complaints Policy is that it appears to be serving as a general complaints policy as it covers several matters a person may complain about, such as the conduct of staff or the delivery of other services. However, we suggest you may wish to amend the Policy's title and content to reflect its function as a general complaints policy. We also suggest continuing to use administrative fairness principles as part of how these complaints are analyzed and addressed.

Should you decide to revise the current Administrative Fairness Complaints Policy into the suggested general complaints policy, our [Complaint Handling for Local Governments](#) Quick Tip document, as well as our [Complaint Handling Guide](#) and [Model Complaints Policy](#) may be useful.

Summary

The investigation of bylaw matters and the enforcement of bylaws can significantly impact those involved in these processes, including bylaw staff, complainants and those subject to bylaw investigations. It is best practice to have a bylaw complaints policy which provides direction to staff and information for the public about the ways in which bylaws are enforced (see page 20 of our *Bylaw Enforcement: Best Practices Guide*). This supports the administratively fair, efficient, and reasonable enforcement of bylaws. It will also support public confidence in the fairness of bylaw enforcement by the Islands Trust and it may help to reduce conflict in the bylaw enforcement process.

In conclusion, we hope that this feedback is helpful to ensure fairness within the policies and procedures for bylaw enforcement by the Islands Trust.

VOLUNTARY CONSULTATION POLICY



OMBUDSPERSON
BRITISH COLUMBIA

The Office of the Ombudsperson's mandate includes supporting public organizations under our jurisdiction to deliver their programs and services fairly. As part of this work, public organizations may voluntarily consult with our Public Authority Consultation and Training Team (PACT) to informally address administrative fairness issues outside of an investigation. During voluntary fairness consultations the PACT team will:

- work informally and collaboratively with public organization staff;
- share our knowledge of the principles of administrative fairness;
- provide practical advice and suggestions to support public organizations to be fair in the delivery of their services and programs;
- focus on proactively addressing fairness issues outside of the context of a formal investigation by our office; and
- consult with public organizations on the development of best practice resources for their sector.

When we conduct a voluntary fairness consultation, we are not providing legal advice or formal findings and recommendations from the Ombudsperson. While we hope our suggestions will be considered as ways to support and enhance fairness in policies and programs, public organizations are not required to implement the suggestions provided. A public organization's participation in a voluntary fairness consultation does not limit, bind or bias the Ombudsperson or Ombudsperson staff in the analysis or investigation of a complaint on the Ombudsperson's own motion that relates to the subject matter of a prior voluntary consultation.

The PACT team conducts voluntary fairness consultations on administrative fairness issues that are not currently the subject of an active Ombudsperson investigation. The PACT team has no role or involvement in the investigative process or investigative decision making. However, during a voluntary fairness consultation, the PACT team may review our internal case management system and consult with investigative staff to gather relevant information about previous complaints made to our office about the organization and related investigations. The PACT team may also provide follow-up assistance to support the organization in the implementation of changes being made to address fairness issues identified through an investigation.

At any point in the voluntary consultation process, if significant administrative fairness issues are identified that are not resolved through the voluntary consultation and could result in findings of unfairness under section 23 of the *Ombudsperson Act* (for example, unjust, oppressive, or contrary to law), the matter may be raised further within our office for additional review and possible investigation. In these rare circumstances, the PACT team will inform the public organization before deciding whether to escalate such matters. In such cases, the voluntary consultation would be terminated before an investigation is commenced.

Voluntary fairness consultations occur under section 9 of the *Ombudsperson Act*, and information obtained by Ombudsperson staff is securely stored and confidentially retained by our office on our electronic database. This information is excluded from disclosure under the *Freedom of Information and Protection of Privacy Act* (section 3(1)(c)). If our office receives a complaint about a matter that was subject to a voluntary fairness consultation, Ombudsperson investigative staff may review records relating to the voluntary consultation that are stored on our office's electronic case management system.

The Office of the Ombudsperson is an oversight office, independent of government, that investigates complaints about administrative unfairness and makes recommendations for system-wide improvements. The office also offers advice and investigates allegations of serious wrongdoing from BC public servants. Our Consultation and Training Team offers educational webinars, training workshops and individual consultation with public organizations to support fairness and continuous improvement across the public sector. For more information, please contact us at consult@bcombudsperson.ca.



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947 Fort Street, Victoria, BC | 250-508-2950 (Victoria) or 1-800-567-3247 (BC) | www.bcombudsperson.ca | [@BCOmbudsperson](https://twitter.com/BCOmbudsperson)



REQUEST FOR DECISION

To: Trust Council **For the Meeting of:** September 25, 2023
From: David Marlor, Director,
Legislative Services **Date Prepared:** September 7, 2023
SUBJECT: Review of Trust Council Policies

RECOMMENDATION:

THAT Trust Council rescind:

1. Policy 2.1.5 Islands Trust Legislative Structure;
2. Policy 2.1.8 Development Approvals Information Bylaws;
3. Policy 2.2.4 Meeting Procedures Bylaw 101;
4. Policy 4.1.6 Local Trust Committee Guidelines for Authorizing Decisions;
5. Policy 4.1.10 Use of Islands Trust Flag;
6. Policy 4.1.12 Associated Islands Project Prioritization Criteria;
7. Policy 4.3.1 Local/Island Advisory Transportation Committees Policy;
8. Policy 6.11.1 Trustee Staff Responsibility Guide;
9. Policy 7.1.3 Use of Local Trustee Letterhead; and
10. Policy 8.1.1 Staff Organization Chart.

THAT Trust Council request staff to review, update and report back to Trust Council with recommendations for amendments to Islands Trust Council policies, and where possible, combine similar policy documents to reduce redundancies.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

This program of review will modernize Trust Council's policies by reducing the number of policies, removing redundancies and outdated policies, and bringing all policies up to date with legislation and current practices. This program does not prevent council committees from identifying policy changes, and those could be undertaken as requested by Trust Council.

1 PURPOSE: To update Trust Council policies to reflect current operational needs and changes over time in legislation.

2 BACKGROUND:

Trust Council began adopting policies following the update to the *Islands Trust Act* in the late 1980s, and the new requirement to adopt a Policy Statement. Trust Council's policies are intended to cover topics that the legislation does not require to be regulated by bylaw, but are desirable to provide guidance for day-to-day operations.

Trust Council has 102 policies. Staff has undertaken a preliminary review of all 102 of these policies. This review considered the relevance of the policies, and whether or not they require updating in relation to legislation changes and current practices. Some policies may require amendments following review by specific council committees, and these specific amendments are not included in this initial staff review. Where possible, those amendments could be included when specific policies are brought back to Trust Council for consideration of amendments.

All Trust Council policies are available on the Islands Trust website.

<https://islandstrust.bc.ca/about-us/accountability/policies/>

A. Policies to be Rescinded

Of the 102 policies, Staff recommend that Trust Council rescind the following 10 policies, as they are either out of date or redundant. The 10 policies for consideration of rescinding are:

- 1. Policy 2.1.5 Islands Trust Legislative Structure.** This is simply a single page diagrammatic showing the local trust committee's relationship to Trust Council and Islands Trust Conservancy Board. As this is not in policy format and does not provide any policy direction, staff recommend that Trust Council rescind this policy.
- 2. Policy 2.1.8 Development Approvals Information Bylaws.** Trust Council adopted this policy in 1998, and has not updated it since. Recent changes to legislation has transferred the adoption of Development Approval Bylaws to local trust committees, with Trust Council oversight the same as for any other local trust committee bylaw. Given this, Staff recommend that Trust Council rescind this policy.
- 3. Policy 2.2.4 Meeting Procedures Bylaw 101.** Trust Council adopted this policy in 2004, and has not updated it since. This is simply an unsigned copy of Trust Council's Meeting Procedures Bylaw 101. As this is a bylaw, it is not appropriate to repeat it in a policy format. Staff recommend that Trust Council rescind this policy.
- 4. Policy 4.1.6 Local Trust Committee Guidelines for Authorizing Decisions.** Trust Council adopted this policy in 1993, and last updated it in 1998. This policy attempts to summarize when local trust committee decisions must be done by bylaw and by resolution. It is repeating legislation and as such, it is possible that this document can become outdated fast, or could be incorrect or misleading without the context of the legislation. Given this, and the fact this is not policy, Staff recommend that Trust Council rescind this policy.
- 5. Policy 4.1.10 Use of Islands Trust Flag.** Trust Council adopted this policy in 1999, and has not updated in since. At the time, Islands Trust designed a flag that could be flown by local trustees on the islands. Today Islands Trust does not maintain or produce a flag, and therefore this policy is redundant. As such, Staff recommend that Trust Council rescind this policy.
- 6. Policy 4.1.12 Associated Islands Project Prioritization Criteria.** Trust Council adopted this policy in 1998, and has not updated it since. As other Trust Council policies related to prioritization of local trust committee and regional project work have been updated, this policy is out of date and redundant. Given this, Staff recommend that Trust Council rescind this policy.
- 7. Policy 4.3.1 Local/Island Advisory Transportation Committees Policy.** Trust Council adopted this policy in 1992, and has not updated it since. The Policy is specific to the implementation of the then new road standards agreement. While the agreement is still relevant, any committee established by a local trust committee should fall under the umbrella of the advisory planning commission legislation; therefore local trust committee advisory planning

commission bylaws, and Trust Council policies on advisory planning commissions will suffice. Given this, Staff recommends that Trust Council rescind this policy.

8. **Policy 6.11.1 Trustee/Staff Responsibility Guide.** Trust Council adopted this policy in 1992, and has not updated it since. This policy is a list of duties for Trust Council and committees, and for various staff groups. It does not provide any policy direction and may conflict with other policies (such as terms of reference for council committees), new or amended legislation and staff job profiles. Given this, Staff recommends that Trust Council rescind this policy.
9. **7.1.3 Use of Local Trustee Letterhead.** Trust Council adopted this policy in 1994 and updated it last in 2003. Since then the use of letters as a means of communication has reduced greatly and has been replaced mostly by email. Staff used to provide each trustee with their own letterhead for writing; however, as all work of local trust committee is by resolution of the local trust committee, all official correspondence should be on Islands Trust Letterhead. Given that trustees are no longer provided with their own letterhead and the change to electronic communications, Staff recommend that Trust Council rescind this policy.
10. **8.1.1 Staff Organization Chart.** This is a single page showing the staff reporting structure. As this is not policy and staff organization is an administrative function overseen by the Chief Administrative Officer, Staff recommend that Trust Council rescind this policy.

B. Policies to be Combined

As Trust Council adopted policies over the years, many had similar subject matter as previous policies. Many of these could be combined to create more robust and less repetitive policies, as well as reduce potential conflicts between policies. Staff undertook a preliminary analysis and review for the types of policies that could be combined, and this is provided for illustrative purposes only. Review of each subject area would be in conjunction with the relevant Director, and staff would then bring back to Trust Council specific recommendations for policy amendments, including where possible, combining policies.

1. Policy Statement

There are two policies related to the policy statement; **1.2.1 Policy Statement Amendment** deals with amendments to the Islands Trust Policy Statement, and **1.3.1 Policy Statement Implementation** deals with implementation of the Islands Trust Policy Statement policies. Both of these policies will likely be redundant should Trust Council adopt an amended Islands Trust Policy Statement (draft Bylaw 183). Once this bylaw is adopted, the new language in draft Bylaw 183 on implementation and amendments should be reviewed and policies 1.2.1 and 1.3.1 amended accordingly to remove repetition and redundancies. At this time, these two policies, if still warranted, could be combined into one.

2. Rules of Conduct

There are two policies related to rules of conduct; **2.1.1 Statutory Rules of Conduct** and **2.1.2 Standards of Conduct**. As these two policies deal with similar issues, they could be combined into one policy, and redundancies removed. At the same time, these two policies should be updated to reflect current conditions and legislation.

3. Trust Council Meeting Preparation

There are two policies related to Trust Council Meeting Preparation; **2.1.1 Requests for Decision (RFD)/Reports** and **2.2.2 Council Meeting Preparation**. These two policies could be combined into a single policy and better provide policy direction for written materials going to Trust Council agendas. Both policies will also need updating as much of the timelines and

procedures are out of date, and in some instances repetitive of processes contained in Trust Council meeting procedures bylaw.

4. Resolutions-without-meeting

There are three policies dealing with resolutions-without-meeting; **2.2.3 Trust Council Resolutions Without Meeting, 2.4.2 Executive Committee and Islands Trust Conservancy Board Resolutions Without Meeting, and 4.1.5 Local Trust Committee Section 26 Resolutions-without-meeting.** As all of these deal with policies related to when and how resolutions-without-meeting are to be used, they should be combined into a single policy. All three require amendments to bring them up to date.

5. Executive Committee

There are four policies dealing with the Executive Committee operations; **2.4.1 Executive Committee Terms of Reference, 2.4.3, Executive Committee Election, 2.4.4 Executive Committee Legislative Role and 2.4.6 Executive Committee Meeting preparation.** All four of these could be combined into a single policy. All four require updating.

6. Local Trust Committee Meetings

There are two policies related to local trust committee meetings; **4.1.1 Local Trust Committee Chair Guidelines, and 4.1.2 Local Trust Committee Meeting guidelines.** These can be combined into one policy with edits to update.

7. Local Trust Committee Model Bylaws

There are three model bylaws; **4.1.3 Model Local Trust Committee Meeting Procedure Bylaw, 4.1.4 Model Local Trust Committee Development Procedures Bylaw, and 4.1.14 Model Development Permit Guidelines for Eagle, Raptor and Heron Habitat Protection.** These should be reviewed for relevance, and possibly combined into a single policy containing all local trust committee model bylaws.

8. Advisory Planning Commissions

There are two policies related to advisory planning commissions; **4.2.1 Advisory Planning Commission Terms of Reference, and 4.2.2 Advisory Planning Commission Operating Guidelines.** These should be combined into one policy regarding advisory planning commissions.

9. Application Processing Services

There are two policies related to application processing; **5.6.1 Application Processing Services, and 7.2.4 Application Fee Refund.** Both of these policies should be combined into one.

10. Priority Setting

There are two policies related to priorities; **6.2.1 Priority Setting/Review Guidelines, and 6.7.1. Work Program, Follow-up Action List and Priorities Report.** As there are some redundancies between these policies, these should be combined into a single policy and updated.

11. Budget Process

There are three policies related to the budgeting process; **6.3.1 Budget Process, 6.3.2 Special Property Tax Requisition, and 6.6.1 By-Election Funding.** As all three of these policies deal with the process of developing a budget, they should be combined into one policy, but remain separate from the financial management policies.

12. Financial Management

There are two policies related to financial management; **6.5.1 Reserves and Surplus**, and **6.5.2 Budget Control and Adjustment Authority**. As these policies deal with aspects of managing finances, they should be combined into one policy.

13. Legal Advice

There are two policies related to provision and management of legal advice; **2.1.6 Legal Advice**, and **6.9.2 Legal Services Access and Management**. These should be combined into one policy and updated.

14. Trustee Travel, Conference and Training

There are three policies related to trustee travel, conference attendance and training; **6.12.1 Trustee Training/Conference Attendance**, **6.12.2 UBCM/AVICC Membership and Resolutions**, and **7.2.3 Trustee Travel**. These policies should be combined into one, and updated.

15. Administrative and Procedural Fairness

There are four policies related to administrative fairness; **5.4.2 Procedural Fairness in Rezonings**, **7.1.1 Administrative Fairness Principles**, **7.1.2 Handling of Administrative Fairness Complaints**, and **7.1.5 Ombudsperson Referrals**. As all four of these policies are related and have overlapping policies, they should be combined into one policy and updated.

16. Communications

There are three policies related to communications; **6.10.2 Communications**, **7.1.4 Use of Islands Trust Letterhead**, and **7.1.6 Corporate Logo**. As these relate to communication they should be combined into one policy, with redundancies removed and updated.

17. Correspondence

There are three policies related to correspondence; **7.1.7 Receipt of Confidential Information from External Government Organizations and Agencies**, **7.4.1 Incoming Local Trust Committee Correspondence General**, and **7.4.2 Chair and Executive Committee Correspondence**. As all of these deal with correspondence and have overlapping policies, these should be combined into one policy and updated.

18. Freedom of Information and Protection of Privacy

There are two policies related to Freedom of Information and Protection of Privacy; **7.6.1 Freedom of Information and Protection of Privacy**, and **7.6.2 Freedom of Information and Protection of Privacy Procedures**. These two policies should be combined into one policy and updated.

The result of the above changes would be consolidation of policies that are similar or deal with similar topics. This will lead to removal of contradicting, repetitive and redundant policies. This step will include updating the policies as necessary, and those updates would be highlighted for Trust Council in the revised documents at the time of considering those amendments. The changes proposed above would remove 10 redundant and out of date policies, and combine 46 other policies into 18 new policies, resulting in a reduction from 102 policies to 64 policies.

The amendments proposed to these policies will not preclude further amendments as recommended by the Governance Committee, or any other Council Committee that may result from the work they are doing. This exercise is to consolidate, remove redundancies and repetition, and update policies to reflect today’s legislation and best practices.

Following the completion of this phase, staff will continue to review the remaining 44 policies for updating, and will bring a report back to Trust Council with recommendations for those that Staff has identified as needing amendments.

If Trust Council passes the resolutions as recommended, Staff will:

1. Delete the 10 policies identified for rescinding; and
2. Make amendments to the other 48 as indicated in this report, undertaking a few at a time and bring back to subsequent Trust Council meetings for consideration of adoption of a new “combined’ policy and rescinding of the old policies. If staff were able to bring back two combined policies per Trust Council meeting, then it would take nine Trust Council meetings to complete all 18 listed here. This would take this phase of this project to December 2025. If staff were able to bring back three combined policies per Trust Council, then this would take this phase of the project to March 2025.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL:

Staff will undertake the work and plan to bring two to three amendments to Trust Council each quarter.

FINANCIAL:

No financial implications.

POLICY:

No policy implications.

IMPLEMENTATION/COMMUNICATIONS:

Staff will post amended policies to the website as they are adopted by Trust Council, and advise staff and trustees by email.

FIRST NATIONS:

No First Nations implications.

OTHER:

No other implications.

4 RELEVANT POLICY(S):

N/A

5 ATTACHMENT(S):

N/A

RESPONSE OPTIONS

Recommendation:

THAT Trust Council rescind:

1. Policy 2.1.5 Islands Trust Legislative Structure;
2. Policy 2.1.8 Development Approvals Information Bylaws;
3. Policy 2.2.4 Meeting Procedures Bylaw 101;
4. Policy 4.1.6 Local Trust Committee Guidelines for Authorizing Decisions;
5. Policy 4.1.10 Use of Islands Trust Flag;
6. Policy 4.1.12 Associated Islands Project Prioritization Criteria;
7. Policy 4.3.1 Local/Island Advisory Transportation Committees Policy;
8. Policy 6.11.1 Trustee Staff Responsibility Guide;
9. Policy 7.1.3 Use of Local Trustee Letterhead; and
10. Policy 8.1.1 Staff Organization Chart.

THAT Trust Council request staff to review, update and report back to Trust Council with recommendations for amendments to Islands Trust Council policies, and where possible, combine similar policy documents to reduce redundancies.

Alternative:

Trust Council could determine that, rather than rescind one or more policies, that it request Staff to update those policies.

Prepared By: David Marlor, Director, Legislative Services

Reviewed By/Date: Russ Hotsenpiller, Chief Administrative Officer/September 7, 2021
Executive Committee/September 13, 2023

Attachment 1. Chronology

June 8, 2022, a trustee RFD asking the Province to conduct a provincial review of “Islands Trust” first appeared as [item 7.6.1 on Executive Committee’s June 8 agenda package](#) for consideration to forward to Trust Council’s June 2022 quarterly meeting including late correspondence received in support of the RFD.

June 22, 2022, the trustee sponsored request for decision (RFD) was considered on Trust Council’s June meeting agenda ([see pages 392-394](#)) as item 9.1., “Provincial Review of Islands Trust” ([scroll the slider to 6:48:50 to view the recorded discussion](#)).

Summarized in Trust Council’s (TC) business decision highlights [published the following week, these resolutions were passed by TC at its June meeting with regards to item 9.1., RFD.](#)

TC-2022-071

It was Moved by Trustee Brent and Seconded by Trustee Colbourne,

That Trust Council request the Lieutenant Governor in Council for the Province of British Columbia to conduct a review of the Islands Trust's mandate, governance and structure.

CARRIED

TC-2022-072

It was Moved by Trustee Colbourne and Seconded by Trustee Brent,

That the Islands Trust Chair, on behalf of Council, submit a letter to the Lieutenant Governor in Council making the review request under Section 8(2)(e) of the Islands Trust Act that outlines the potential scope of a review, including, but not limited to:

- a. An assessment of the optimum governance model to preserve and protect the Trust area pursuant to the Province's vision for the future of the Trust area.
- b. The object of the Islands Trust Act and clarification of the mandate of the organization.
- c. The governance structure of the organization.
- d. The alignment of decision-making processes and structures with the Declaration on the Rights of Indigenous Peoples Act.
- e. The geographic scope of the organization and in particular authority over marine areas.
- f. The funding mechanisms provided to the organization in light of a clarified mandate.

CARRIED

July 7, 2022, Executive Committee meeting, [late item briefing was received](#) for information at item 8.1.2.3., regarding Office of the Lieutenant Governor’s Correspondence Guidelines ([scroll to 2:22:09 to review the recording](#)).

July 8, 2022, Chair Luckham sent the following letter re: Request for Provincial Review of Islands Trust to the Minister of Municipal Housing, The Honorable Nathan Cullen (See Attachment 1.):
<https://islandstrust.bc.ca/document/request-for-provincial-review-of-islands-trust/>

September 23, 2022, Minister Cullen’s response was received (See Attachment 2.):

<https://islandstrust.bc.ca/document/minister-cullen-response-re-request-for-provincial-review-of-islands-trust/>

October 15, 2022, Local Government Elections were held determining Islands Trust Council members for the 2022-2026 term. The new council was sworn-in November 17, 2022, where the new term Executive Committee elected.

November 1, 2022, Minister Cullen’s office reached out, via email, to book a meeting with Executive Committee (the new term had yet to convene) which the current EC considered at its November 2, 2022, business meeting as late item 10.2. deciding to defer the item to the in-coming, new term Executive Committee.

November 18-19, 2022, Minister Cullen’s response letter was included and discussed at [item 9.1](#) in Trust Council’s inaugural new term meeting agenda package and was followed by resolution:

TC-2022-133

It was Moved by Trustee Patrick and Seconded by Trustee Yates,

That Trust Council request staff to return the request for decision Provincial Review of Islands Trust for consideration to the December Trust Council meeting. **CARRIED**

Executive Committee’s meetings held November 19 (re: item 9.1.1) and November 23 (re: item 8.1.1.3) discussed meeting preparation re: Minister Cullen scheduled for December 14 to be held in-person.

EC-2022-152

It was Moved and Seconded,

That Executive Committee request staff create speaking notes for the minister's meeting around engaging with the ministry on the following topics: governance, housing authority, funding, and reconciliation. **CARRIED**

December 6-8, 2022, Trust Council’s [agenda package item 4.4](#) “June Trust Council Provincial Review Briefing” was considered and the following resolutions passed:

TC-2022-153

It was Moved by Trustee Peterson and Seconded by Trustee Gauvreau,

THAT item 4.4 (June Trust Council Provincial Review Briefing) be postponed to the March 2023 Trust Council meeting for consideration. **CARRIED**

TC-2022-155

It was Moved by Trustee Morrison and Seconded by Trustee Graham,

That Trust Council refer item 4.4 (June Trust Council Provincial Review Briefing) to the Governance Committee for discussion prior to the March 2023 meeting. **CARRIED**

December 7, 2022, Anne Kang appointed Minister of Municipal Affairs by Premier David Eby succeeding The Honorable Nathan Cullen. Minister Kang kept Minister Cullen’s December 14 meeting commitment with Executive Committee which was converted to a Zoom electronic format.

January 19, 2023, The Governance Committee (GC) meeting agenda item [11.2](#) was discussed and [11.2.1 \(scroll to 3:33:40 to hear recording\)](#) was forwarded to the February 10, 2023 GC meeting and received as information.

March 7, 2023, returned to Trust Council as agenda item 4.2.7., where the following resolutions were passed:

TC-2023-005 as amended by 006 and 007

That Trust Council directs Executive Committee to work with staff on a coordinated strategy and prepare a request that the Province revisit the provincial grant funding formula to the Islands Trust.

CARRIED

TC-2023-008

It was Moved by Trustee Boland and Seconded by Trustee Dodds,

That Trust Council respond to Minister Kang to the effect that Trust Council will revisit the request for a review of Islands Trust mandate, governance and structure, at September Trust Council and provide the minister with an update.

CARRIED



200-1627 Fort Street, Victoria BC V8R 1H8
Telephone **(250) 405-5151** Fax (250) 405-5155

Toll Free via Enquiry BC in Vancouver 604.660.2421. Elsewhere in BC
1.800.663.7867

Email information@islandstrust.bc.ca

Web www.islandstrust.bc.ca

July 08, 2022

File No.: 0400-30 Ministries/MLA

Via email: MAH.minister@gov.bc.ca; nathan.cullen.MLA@leg.bc.ca

The Honourable Nathan Cullen
Minister of Municipal Affairs
PO BOX 9056,
STN PROV GOVT
Victoria BC V8W9E2

Dear Minister Cullen:

Re: Request for Provincial Review of Islands Trust

Thank you again for your recent meeting with the Islands Trust Executive Committee. It was a pleasure to meet you. I am writing to you today on behalf of the 26-member Islands Trust Council to request that the Province of British Columbia conduct a review of the Islands Trust's mandate, governance and structure.

We are requesting that you, as the Minister responsible for Islands Trust, kindly bring this request to the attention of the Lieutenant Governor in Council (Cabinet). We make this request under Section 8(2)(e) of the *Islands Trust Act*.

The requested review could include, but need not be limited to, an assessment of:

- a) the optimum governance model to preserve and protect the Trust Area pursuant to the Province's vision for the future of the Trust Area;
- b) the object of the *Islands Trust Act* and clarification of the mandate of the organization;
- c) the governance structure of the organization;
- d) the alignment of decision-making processes and structures with the *Declaration on the Rights of Indigenous Peoples Act*;
- e) the geographic scope of the organization and, in particular, authority over marine areas; and
- f) the funding mechanisms provided to the organization in light of a clarified mandate.

This request comes after much deliberation and debate at the Islands Trust Council table this term. In our efforts to update the Islands Trust Policy Statement and respond to a Governance Review conducted by external consultants, we have encountered some divergent viewpoints and core questions related to our unique mandate and the efficiency and effectiveness of our governance model and structure. As we approach our fiftieth anniversary, it is vitally important that we coalesce around a common vision and that we have a supportive governance structure and sufficient resources to realize this vision now and into the future. However, we cannot do this work alone. As an agency of the Province, we require provincial leadership, direction, and resources to ensure that we are honouring the vision of 1974 while also addressing the new realities and challenges facing the Islands Trust Area today.

The Islands Trust Area is located within Coast Salish territory and is the homeland to many Coast Salish Peoples who have called this place home since time immemorial. Islands Trust Council has passed a Reconciliation Declaration and is working towards better acknowledging treaty and territorial rights,

.../2

better protecting Indigenous cultural sites and harvesting areas, and building stronger collaborative relationships with First Nations to preserve and protect these special islands in the Salish Sea. Aligning the Islands Trust's governance model, structure, and mandate with the *Declaration on the Rights of Indigenous Peoples Act* will be key to fulfilling Islands Trust Council's (and the Province's) commitments in this regard.

It has been nearly 50 years since the *Islands Trust Act* was initiated and 35 years since it was last meaningfully reviewed by the Province. Islands Trust Council is grateful for the amendments to the Act provided in 2021 but believes that it is now time for a comprehensive provincial review of Islands Trust's mandate, governance, and structure to ensure that these special islands and waters are protected now and into the future. Islands Trust Council stands ready to assist and, to that end, has recently established a new Standing Governance Committee with seven elected members who will be well placed to advise a provincial review process, as needed.

Thank you for considering this important request. We look forward to hearing from you.

Yours sincerely,



Peter Luckham
Chair, Islands Trust Council
pluckham@islandstrust.bc.ca

cc:

The Honourable Janet Austin, Lieutenant
Governor of British Columbia
The Honourable John Horgan, Premier of British
Columbia
B.C. Cabinet Ministers
BOKÉCEN (Pauquachin) First Nation
Cowichan Tribes
K'ómoks First Nation
Klahoose First Nation
Lyackson First Nation
MÁLEXEŁ (Malahat) First Nation
Qualicum First Nation
scəwáθən (Tsawwassen) First Nation
Scia'new (Beecher Bay) First Nation
səilwətał (Tsleil-Waututh) Nation
SEMYOME (Semiahmoo) First Nation
shíshálh (Sechelt) First Nation
Skw̓xwú7mesh (Squamish) Nation
Snaw-naw-as (Nanoose) First Nation
Snuneymuxw First Nation
Songhees First Nation
Spune'luxutth (Penelakut) Tribe
SḶÁUTW (Tsawout) First Nation
Stz'uminus First Nation

łəʔəmen (Tla'amin) First Nation
T'Sou-ke First Nation
Ts'uubaa-asatx (Lake Cowichan) First Nation
Wei Wai Kum (Campbell River) First Nation
We Wai Kai (Cape Mudge) First Nation
W̱JOŁEŁP (Tsartlip) First Nation
W̱SIKEM (Tseycum) First Nation
Xeláłtxw (Halalt) First Nation
Xwémalhkwx (Homalco) First Nation
Xwsepsum (Esquimalt) First Nation
xʷməθkʷəy̓əm (Musqueam) First Nation
First Nations Leadership Council
Hul'qumi'num Treaty Group
Laich-kwil-tach Treaty Society
Nanwakolas Council
Naut'sa mawt Tribal Council
Te'mexw Treaty Association
W̱SÁNEĆ Leadership Council
Islands Trust Area MLAs
Islands Trust Area MPs
Bowen Island Municipal Council
Islands Trust Council
Islands Trust Website



Peter Luckham, Chair
Islands Trust
200-1627 Fort St
Victoria BC V8R 1H8

Dear Chair Luckham:

Thank you for your letter of July 8, 2022, requesting a recommendation to the Lieutenant Governor in Council to undertake a provincial review of the Islands Trust mandate, governance and structure. The Ministry of Municipal Affairs has responsibility for the *Islands Trust Act* and would be responsible for policy work to support any review that may be undertaken. I appreciate that there are a number of challenges facing the Islands Trust that you have identified in your letter.

The recent governance and management review undertaken by the Islands Trust has highlighted a number of actions the Islands Trust can take within its existing authorities to address some of the emerging concerns and pressures, and I encourage you to look at these opportunities. In addition, with local elections being held on October 15, 2022, the ministry wants to understand the perspectives and opinions that the newly elected Trust Council has on the requested review.

I look forward to learning of the measures being taken by the Trust in response to the governance and management review and in relation to the broader issues that are raised in the context of this request for a review of the Islands Trust governance, mandate and opportunities for alignment with the principles of the Declaration Act.

Thank you again for writing.

Sincerely,

Nathan Cullen
Minister

STRATEGIC PLANNING: This item involves proposing a significant overhaul of the decision-making processes of the IT. Four members of the IT Finance Advisory Cttee (FAC) have experience with the creation of corporate and strategic plans and GC agreed to delegate research & development of any proposals to that working group. They have reported back to both the Executive Committee (EC) and the GC on 2 occasions, and their continued work has been endorsed, with an expectation that a new system of goal setting and prioritizing will be in place for the fiscal year 2024-2025. Following consensus on interpretation of the s.3 mandate, and with a tight timeline in mind, strategic planning work will be considered a priority, by staff and the GC. GC will focus on working with staff to outline goals and priorities for the remainder of this term, while procedures to implement the new strategic/ corporate plan will be recommended by staff.

MANAGEMENT REVIEW. Members of the GC have been encouraged to develop proposals and ideas are percolating for 1) a secretariat function, 2) reorganizing the membership of the EC, and 3) delegation of work to the EC. The October GC meeting will consider reorganizing our long list of priorities and if any of these ideas are ready, they will be part of that consideration.

ATTACHMENT(S):

1. Work program / Matrix

Prepared By: Judith Gedye, September 14, 2023

15 Recommendations of Governance Review (Feb/22) as categorized by Governance Committee (Feb/23)

Updated July 31, 2023

>>>>>URGENCY >>>>>>>

<p>NOT IMMEDIATE but IMPORTANT</p> <ul style="list-style-type: none"> * Election of Executive Committee * Representational differences * Committees - clear mandates/ size & numbers/ champion proposals to TC * mandate of Conservancy more prominent * Secretariat - needs research 	<p>URGENT and HIGH PRIORITY</p> <ul style="list-style-type: none"> * Section 3. Islands Trust Act/mandate * Strategic/Corporate Planning/Visioning process * Meeting process (bylaw 101 & policies) * management review
<p>NOT IMMEDIATE and LOWER PRIORITY</p> <ul style="list-style-type: none"> * info to candidates before election * compensation * recording of negative votes (forward to Executive Committee) 	<p>URGENT but LOWER PRIORITY</p> <p>(NOTE: these items considered urgent but need more preparation of other policies before effective to deal with)</p> <ul style="list-style-type: none"> * Communications * Advocacy

MATTERS OUTSIDE OUR JURISDICTION WHICH WE CONSIDER URGENT & IMPORTANT

- * First Nations representation (possible referral to 1st N cttee if it gets established, otherwise multiple protocol agreements not considered in report)

MATTERS OUTSIDE OUR JURISDICTION WHICH WE CONSIDER NEITHER URGENT OR A PRIORITY

- * Representation of provincial interest on TC - simple idea, complex in execution, multiple solutions.

MATTERS WE CONSIDER IMPORTANT BUT NOT URGENT CZ BEING CLOSELY EXAMINED BY OTHER COMMITTEES

- * Local planning issues - OCP numbers & updates (Regional Planning)
- * Policy Statement (Trust Planning Committee and Executive Committee)



REQUEST FOR DECISION

To: Trust Council **For the Meeting of:** September 26, 2023
From: CAO **Date Prepared:** September 5, 2023
SUBJECT: Corporate Planning Framework for the Islands Trust

RECOMMENDATION:

1. That Trust Council approve the attached Draft Corporate Planning Framework, and
2. THAT Trust Council request that Governance Committee continue work on Corporate Plan development.

CHIEF ADMINISTRATIVE OFFICER COMMENTS: This recommendation is a reasonable means forward for the reimagining of corporate, strategic and financial planning at the Islands Trust. It is also fair to conclude that 75 % of the processes contemplated by the corporate plan exist in current practice. The priority will be in broadening the scope of the plan, including greater financial detail, delegating appropriate responsibility and reporting/progress management.

If Trust Council wishes to take a different approach to this work then this process should be concluded or amended.

- 1 **PURPOSE:** To approve a framework for a Corporate Planning process for the Islands Trust.
- 2 **BACKGROUND:** At Trust Council direction, and guided by recommendations from the Governance Review 2022, Governance Committee is in the process of developing a corporate planning process for the Islands Trust. Implementation of a new corporate planning process is intended to be a long term project that will bring greater clarity in process and outcomes to strategic and operational work at the Trust. Governance Committee requested the assistance of a working group of FPC to provide an initial outline and rationale. The working group is made up of Trustees Patrick, Evans and Boland with the aid of staff.

Work started in February with the development of a process document with significant reference to the [District of Saanich](#) planning process as a roadmap. Further work in the spring saw the document mature to a fully corporate framework that could provide a way forward for the Islands Trust.

This is the initial planning phase of the project. Before we do the hard work of actually developing an Islands Trust Corporate Plan the committees and staff working on this process need confirmation that we are going in the right direction. Attached for consideration of Trust Council is a draft framework and it is provided in order to get approval from Trust Council.

The next steps are outlined in the following table, but in general there will need to be a significant investment of time and analysis between elected officials on both Committees and staff on:

- Determining processes for selecting major projects
- Establishing criteria for project selection
- Determining a reasonable level of detail that can be provided to elected officials as they populate and monitor a corporate plan
- Adopting and maintain a structured decision making process and ethic at the Islands Trust
- Linking, in a number of ways, the strategic projects of the Trust and the financial function
- Developing meaningful ways of measuring progress and reporting to Council
- Incorporating reconciliation work throughout the planning process, and
- Policies to aid all of the above.

It is important to remember that in doing this work, the Islands Trust is doing two things:

1. Development of a corporate framework with related policies and practices, and subsequently,
2. Developing a corporate plan for the term with new goals and objectives.

What do we do from strategic and budgetary perspectives in the interim? As we are in a period of transition, we will continue work on the current strategic plan and any associated budget requirements. This in no way limits trustees from sponsoring new work and adding it to the current budget cycle. Indeed, there will likely be a period where we bring in some best practices from the corporate planning processes, say for instance with business plans, before we have fully adopted a new approach.

If Trust Council approves this framework, the schedule below provides an approximate timeline. Our goal would be to have a new corporate plan in place for fiscal 2024/25.

CORPORATE PLANNING PROCESS ROADMAP	TIMELINE	NOTES
PHASE 1: Assess the Environment (SWOT)	June 2023	Occurred in June
PHASE 2: Develop a Term Strategic Plan Part 1 – Direction & Goal Setting Step 1: Determine the Vision Step 2: Understand the Mission/Mandate Step 3: Determine Values	September 2023	Trust Council is in the process of developing a vision and seeking agreement on the mission of the Trust
Step 4: Determine & Prioritize Goals & Objectives	September 2023 to June 2024	Analysis and policy development Part 1.4 through Phase 3 is significant and would be the next tasks in plan development.
Part 2 – Strategy Implementation Step 1: Determine actions to achieve objectives Step 2: Prioritize actions & Assign Responsibilities		New concept, needs to be developed by staff.

PHASE 3: Develop Departmental Plans to support strategies and financials		
PHASE 4: Develop the Annual Budget & Long-Term Financial Plan Step 1: Review Background Documents Step 2: Budget Submissions Step 3: Draft Annual Budget & Draft Financial Plan Step 4: Senior Management Review Step 5: Financial Planning Committee Review Step 6: Trust Council Review Step 7: Public Feedback & Consultation with Municipalities Step 8: Financial Planning Committee Review Step 9: Trust Council Approval Step 10: Financial Plan Bylaw Submission to Minister	August 2024 to March 2025	1. Relevant policies and planning needs to further integrate projects and financials 2. By the end of June the Corporate Plan process and framework, with policies, would be ready to be implemented for the 2025 budget cycle.
PHASE 5: Monitoring, performance management and risk assessment	Post March 2025	3. New process needs development

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL:

This is a current strategic direction of Trust Council and the responsibility of both Executive Committee and Governance Committee. There will need to be the following staff resources dedicated to the project over the next 8 to 10 months.

Assumptions:

Working term: October 2023 to May 2024.
Committee meetings: October 2023 to May 2024: 9 meetings approx. for either subgroup or GC
Staff meetings: 5-6 half day meetings or equivalent October-May
Analysis of plan, committee planning, budget planning, link to LTC projects, other
Policy Development
Communications
Training: at this point this item is hard to approximate, depends on monitoring and reporting requirements.

	Notes	Hours	Totals
CAO	Main contact and project lead Department planning, Committee liaison Ongoing strategic management	5 hours a week for 32 weeks	160 hours
Executive Coordinator	Administration, agenda development	2 hours a week for 32 weeks	64 hours

Director of Leg Services	Policy Development, training	1 week of work	40 hours
Director of Admin Services	Corp/budget rationalization, FPC contact	2-4 hours week for 32 weeks	40-80 hours
Director of TAS	General policy development, analysis, training	1.5 week	60 hours
Dir of Planning Services	Policy development, training	1-2 hours week for 20 weeks	40 hours
Communications	Internal and external comms needed, mainly next fiscal year.	pending	
Sub Committee	1 meeting a month from Oct to May		
Governance Committee	3-4 meetings, Oct to May		

FINANCIAL: Limited requirement for funding this fiscal year.

POLICY: a number of policies will need to be amended or created to realize a new corporate planning process including:

- **2.3.1 Council Committee Systems** – updated to include as necessary the committees’ roles in the implementation of the Corporate Plan
- **2.4.1 Executive Committee Terms of Reference** - dated to include as necessary the Executive Committee’s roles in the implementation of the Corporate Plan
- **5.9.1 Best Management Practices for Delivery of Local Planning Services** – updated to reflect how projects of local trust committees and Regional Planning Committee will be evaluated against the Corporate Plan for budget purposes.
- **6.2.1 Priority Setting/Review Guidelines** – to incorporate the Corporate Plan into priority setting for all Trust Council bodies.
- **6.3.1 Budget Process** – to adjust timelines and processes to reflect the process outlined in the Corporate Plan.
- **X.X.X Corporate Plan** – a new policy that establishes Trust Council’s corporate plan. Once Trust Council has settled on the scope of corporate plan, Staff will draft a new policy with the Corporate Plan language in it, which Trust Council may then consider for adoption. This new policy will likely be numbered 6.1.2 and follow the 6.1.1 First Nations Engagement Principles in the list of policies.

Depending on the scope of the final Corporate Plan adopted by Trust Council, there may be other policies that will require consequential amendments to bring them in line with the Corporate Plan. These will be identified and brought to council for consideration once the Corporate Plan has been adopted. The above five listed policies are more critical to the implementation of the Corporate Plan and therefore amendments to them should be considered concurrently with the Corporate Plan to ensure no conflicts, and that processes are clear.

IMPLEMENTATION/COMMUNICATIONS: pending

FIRST NATIONS: Integration of Islands Trust First Nations principles, recognition, reconciliation and engagement work will occur throughout the plan and is assumed to be a constant in work and project planning as well as business development.

OTHER:

4 RELEVANT POLICY(S):

5 ATTACHMENT(S):

a. Draft Corporate Plan Framework, August 2023

RESPONSE OPTIONS

Recommendation:

- 1. That Trust Council approve the attached Draft Corporate Planning Framework, and**
- 2. THAT the Governance Committee continue work on Corporate Plan development.**

Alternative:

Prepared By: R Hotsenpiller

**Reviewed By/Date: David Marlor, Director, Legislative Services/September 5, 2023
Executive Committee/September 13, 2023**

ISLANDS TRUST
DRAFT
CORPORATE PLANNING PROCESS
DRAFT FRAMEWORK

August 30, 2023

CORPORATE PLANNING	3
PHASE 1: Assess the Environment (SWOT)	3
PHASE 2: Develop a Term Strategic Plan	5
Part 1 – Direction & Goal Setting	5
Step 1: Determine the Vision	5
Step 2: Understand the Mission/Mandate	5
Step 3: Determine Values	6
Step 4: Determine and Prioritize Long-Term Goals & Objectives	6
Part 2 – Strategy Implementation.....	7
Step 1: Determine actions to achieve objectives (i.e.: what we will do)	7
Step 2: Prioritise actions over Timeline (i.e.: when we will do it) & Assign Responsibilities	7
PHASE 3: Develop Departmental Work Plans	7
PHASE 4: Develop the Annual Budget & Long-Term Financial Plan	8
Step 1: Review Background Documents	8
Step 2: Budget Submissions	9
Step 3: Draft Annual Budget & Draft Financial Plan	9
Step 4: Senior Management Review	10
Step 5: Financial Planning Committee Review.....	10
Step 6: Trust Council Review.....	10
Step 7: Public Feedback & Consultation with Trust Municipalities	10
Step 8: Financial Planning Committee Review.....	10
Step 9: Trust Council Approval.....	10
Step 10: Financial Plan Bylaw Submission to Ministry.....	10
Phase 5: Progress Monitoring	10

CORPORATE PLANNING

The Islands Trust Governance Review Report, February 2022 states *adopt a four-or-five year corporate plan that integrates strategic and financial components, reviewed and updated annually, identifying initiatives to be undertaken, the corresponding financial resources, along with performance metrics to measure achievement.” That planning process would begin with **goals**, proceeds to **initiatives** to achieve the goals, and then converts the initiatives into **financials**.”* [Emphasis added].

In this context a corporate, as distinct from a strategic plan, is a more comprehensive planning exercise that incorporates strategic initiatives, operational resourcing, financial performance and monitoring/risk management.

This recommendation highlights the need to engage in high-level planning for the longer-term, as well as more detailed planning that takes place on an annual basis. This draft corporate planning process document seeks to incorporate the elements of both.

PHASE 1: Assess the Environment (SWOT)

Understanding the context in which an organisation functions is essential to ensuring the determined vision, mission, values, goals and implementation strategies included in the Strategic Plan are appropriate and achievable. A SWOT analysis provides the basis by which both internal factors and external factors are evaluated.

SWOT stands for Strengths (S), Weaknesses (W), Opportunities (O), Threats (T). The SW of a SWOT represents factors internal to the organisation. The OT of a SWOT represents factors external to the organisation. A SWOT is a core business tool that serves to identify and assess how strengths and opportunities can be leveraged and how weaknesses and threats can be mitigated in the organisation’s context. Examples of each may look as follows:

- S: Staff are highly skilled in their respective areas of expertise such that information received by Trust bodies for decision making is generally reliable and of high quality.
- W: Chronic high turnover in Planning Services and Trust Area Services coupled with slow hiring processes limit the ability to achieve full work programs in a term.

Ideas

The move towards a corporate planning process, that includes strategic planning, is a new approach for the Islands Trust.

An important point, the corporate plan is a long term plan that is supported by rigorous annual review by Trust Council.

A new idea that provides an opportunity to understand what is going on around us and inside the organization. A SWOT can be undertaken annually in order to stay current and inform any changes in direction

Trust Council undertook a SWOT analysis in June 2023, however it is likely that the process would be repeated for corporate planning in 2024 to refresh ideas

- O: Federal and Provincial governments are directing new funds to activities important to the work of Islands Trust, such as reconciliation with First Nations.
- T: Increasing populations and changing demographics on the Islands challenge the Trust’s ability to effectively deliver on aspects of the mandate.

The SWOT analysis is the responsibility of Trust Council to undertake, bringing a political and community lens to the exercise, but staff play a key role in providing input, especially as it relates to the internal factors (SW) of the assessment associated with operational processes. Once SWOTs have been identified and listed, examining relationships between concepts can create a deeper, more concrete understanding of the organisation’s context. A SWOT matrix can be useful in this analysis:

	STRENGTHS	WEAKNESSES
OPPORTUNITIES	How can strengths be used to take advantage of opportunities ?	How can opportunities be used to compensate for, or overcome weaknesses ?
THREATS	How can strengths be used to mitigate or avoid threats ?	Can strong policies or processes be used to defend against areas of weakness and avoid or mitigate threats ?

Once an understanding of the organisational context is achieved, a Strategic Plan appropriate to the context can be developed.

PHASE 2: Develop a Term Strategic Plan

The Strategic Plan sets out the vision of the organisation, sets long-term goals and priorities that will move the organisation towards that vision, and outlines initiatives and actions to achieve those goals. The Strategic Plan is created by Trust Council at the start of each 4-year term.

In general, the foundational aspects of the Strategic Plan do not change throughout the term. However, certain elements are revisited annually (or as needed) to ensure ongoing relevance and appropriateness, and progress reporting against the plan should take place regularly, at least quarterly.

The Strategic Plan can be separated into two parts: Part 1 – Direction & Goal Setting; and Part 2 – Implementation Strategy.

Part 1 – Direction & Goal Setting

This part of the Strategic Plan is developed and approved by Trust Council early in the term. Establishing a Trust Council approved Vision, Mission/Mandate, Values, and Goals is the starting point by which all work will flow. It provides the basis for prioritization and funding of initiatives, and guides the work of Trust bodies and staff.

Step 1: Determine the Vision

Trust Council must establish its vision for the Trust Area. A vision statement embraces a forward-looking posture that, in general terms, states what Trust Council desires the Trust Area to be or look like. Many local governments refer to their Official Community Plan as their visionary document. For Islands Trust, the comparable document would be Trust Council's Policy Statement.

Step 2: Understand the Mission/Mandate

A mission statement outlines who we are and what we are here for. In the Islands Trust context, our mission is established by the Islands Trust object outlined in the Islands Trust Act: *"To preserve and protect the Trust Area and its unique amenities and environment for the benefit of the residents of the Trust Area and of British Columbia in cooperation with municipalities, regional districts, improvement districts, First Nations, other persons and organizations and the government of British Columbia."*

Trust Council must aim to understand and agree on interpretation of the mandate to facilitate the development of a focused and prioritized strategic plan.

The strategic plan is long-term

This is where performance management is used to ensure projects are relevant

The heart of long range planning, this is where the most work will be required in order to i) establish good procedures, processes and policies, and ii) to ultimately choose specific goals, objectives and work.

Step 3: Determine Values

Understanding the values that Trust Council holds and agrees to will facilitate better and more stream-lined decision making in all areas of Trust work, but primarily in the goal setting and implementation strategy setting exercises associated with the strategic plan, as well as during the annual budget cycle. For example, if Trust Council holds ‘transparency’ as a key value, they may more likely set goals, determine strategies, and direct finances towards work that supports this value such as the live-streaming, recording and posting of all public meetings. A Trust Council who does not hold a high level of transparency as a value may not direct resources towards such functions.

Trust Council’s [policy 2.1.3 Governance Principles](#) approved in September 2009 determines Trust Council’s values to be: Teamwork; Openness; Fairness; Respect; Leadership; Direction; Chair; Equity; Service Quality; Responsible and Responsive; Fiscal Resources; Community Involvement; Policy Development; Interagency Relations; Advocacy; Innovation; Authority; Management; Decision Making. Trust Council has the opportunity to update these values as part of the strategic planning process.

Trust Council will likely want to review these principles to ensure they are up to date.

Step 4: Determine and Prioritize Long-Term Goals & Objectives

Trust Council must establish goals and objectives that will facilitate movement towards the established Vision, will further the established Mission/Mandate, and will embrace the agreed up on Values.

The hard work starts.

Goals in the strategic plan are generally broad statements that describe a preferred future within specific thematic areas. Objectives are shorter-term, more measurable actions that will help achieve the overall goal. Goals and objectives guide priority setting, provide a framework to evaluate organisational performance, and will guide day-to-day decision making and organisational activities.

Once objectives for each goal are set, they must be prioritized to provide a basis for human and financial resource allocation. Setting out what objectives should be focused on now, next, and later is an important step in the plan.

Part 1 of the Strategic Plan generally does not change throughout the term but is referred to regularly during decision making, such as during the annual budget cycle. If new situations arise throughout the term that require amending any element of Part 1 of the Strategic Plan, Trust Council will do so as required.

Part 2 – Strategy Implementation

This part of the Strategic Plan outlines the initiatives Trust Council will undertake to achieve the long-term goals and objectives set in Part 1 of the plan. Each initiative should be clearly linked to a specific goal(s) and should include a high-level description of the undertaking as well as planned timing for the work and its completion. This part of the plan is developed by both Trust Council and staff.

Step 1: Determine actions to achieve objectives (i.e.: what we will do)

Staff are key players in determining how Council's determined objectives might be achieved. Upon receipt of an approved Part 1 of the strategic plan, staff prepare options to achieve each objective(s) for Council's consideration. It is important to note that a single action may further more than one objective.

Step 2: Prioritise actions over Timeline (i.e.: when we will do it) & Assign Responsibilities

When specific actions have been agreed to, they should be prioritised over a set and reasonable timeline. Assigning a timeline for actions, preferably by quarter or by month, provides milestone markers by which strategic plan progress can be measured. Assigning who has responsibility for each action ensures accountability in moving each action forward.

The SWOT analysis and Part 1 of the Strategic Plan are useful references during prioritization exercises. For example, if an opportunity for time-sensitive grant funding is identified in the SWOT and goals/objectives are set that could make use of the funding opportunity, planning for an action associated with the funds may need to be prioritised within grant deadlines.

Part 2 of the Strategic Plan is reviewed regularly, by way of progress reporting from staff that provides updates on progression of planned initiatives.

PHASE 3: Develop Departmental Work Plans

Departmental work plans outline the major actions and activities that each department will undertake to move specific Strategic Plan initiatives forward. They work alongside the strategic plan to bring tactical, day-to-day actions to life. Both plans are key to effectively drive performance and attain goals.

Where Part 2 of the Strategic Plan sets out what we will do and when we will do it, departmental plans set out the detail on *how* we will do it. These plans provide a key link between the Strategic Plan and the annual budget process and longer-term financial plan.

New emphasis...a goal of the corporate plan is to require more rigor between a goal of Trust Council and the ultimate outcome or results desired and to track progress and course correct on a required basis.

New idea....

Departmental work plans would be a new concept at the Islands Trust. There may be benefit to have work be managed and communicated on a departmental basis rather than a project basis. This could give a better idea of staff resources across the Trust.

Departmental work plans identify projects and set timelines, along with milestones to measure performance against the plan. The first year of each departmental work plan contains a greater level of detail and feeds heavily into the annual budget process (see Phase 4, step 2b).

In the Islands Trust context, departmental work plans may be developed for each business unit (Chief Administration, Legislative Services, Trust Area Services, Planning Services, and Administrative Services). Management staff hold primary responsibility for developing work plans for their respective areas of oversight.

PHASE 4: Develop the Annual Budget & Long-Term Financial Plan

The annual budget process embraces the detailed financial planning required to fund specific work in the first year of the 5-year financial plan, and relies heavily on the departmental work plans which are the drivers to achieve the strategic plan.

The financial plan forecasts the financial resources required to fund Part 2 of the Strategic Plan (the Implementation Strategy) as well as the ongoing operations of the organisation over the following four years. This is the basis of the 5-year financial plan bylaw that is updated and revisited annually during the budget cycle.

Step 1: Review Background Documents

- a) Trust Council will review and update the Phase 1 SWOT if required (i.e.: new threats have emerged, new weaknesses need to be addressed, etc.). A change to our context may mean a change is needed in our plans.
 - b) Trust Council will review progress reporting on the Strategic Plan implementation and address required changes, if needed.
 - c) Annual work plans will be updated to reflect any changes from step b).
- Step 1: Trust Council sets Budget Assumptions, Principles, & Guidelines
Trust Council will set assumptions, principles, and guidelines to guide staff and the Financial Planning Committee in the preparation of the draft budget. Assumptions will include things such as cost increases for inflation or changes in service levels. Principles will include things such as a commitment to prioritise planned or ongoing strategic initiatives above new work. Guidelines will include things such as limiting budget increases in discretionary costs to a set percentage.

Assumptions to be included in the future years financial forecast will also be included in this document to guide the financial projections in the projected of the long-term financial plan. Assumptions may include items such as inflation projections and levels of grant funding expected from external parties.

While this is a current practise, there is the opportunity to increase the use of annual guidelines and financial goals to assist FPC during budget, and ultimately prioritize use of resources.

New idea: guidelines.....an enhanced oversight or direction to guide budget development

Financial Planning Committee, in alignment with their terms of reference, will draft this document on behalf of Trust Council for their review, revision, and approval.

Step 2: Budget Submissions

a) ITC Board and Local Trust Committee Funding Requests

The Islands Trust Act says local trust committees (LTCs) and the Islands Trust Conservancy (ITC) are their own legal entities. As such, these entities may have work they wish to undertake separate from work that Trust Council plans to undertake. The ITC Board and LTCs will submit funding requests to Trust Council (via the FPC) for work they wish to undertake that is not contemplated in Trust Council's strategic implementation plan. ?

b) Departmental Financial Plans Developed

Based on the activities planned for the next year (per the strategic plan and departmental work plans) departmental budgets will be compiled by department leads and submitted to finance. These budgets outline expected costs for planned activities and any associated revenue. They must conform to the assumptions, principles, and guidelines set by Trust Council. If staff identify a need to step outside of these guidelines, a case should be brought forward to Financial Planning Committee. An example would be a desire to hire a new staff position that was not contemplated in the strategic plan.

Departmental financial plans will include costs for strategic plan initiatives assigned to the department. Business cases associated with these initiatives will be drafted for Trust Council which will include:

- How an action/project achieves the set objective
- A cost/benefit analysis of the proposed action/project
- Staff resourcing associated with the proposed action/project
- A timeline for the proposal, identifying key milestones
- Alternative options for consideration
- Estimated cost

Step 3: Draft Annual Budget & Draft Financial Plan

The departmental budgets, ITC Board request and LTC requests are compiled by finance staff to create a draft annual budget and draft financial plan. The draft is compared to the strategic implementation plan to ensure consistency and completeness.

This area of the budget process could improve by implementing criteria or standards for projects and to harmonize with staff resources, available money. How do we make financial decisions between equally important projects?

A new idea

Greater emphasis on these elements in planning.

We need to better understand the roles and responsibilities of each committee during budget cycle.

Step 4: Senior Management Review

The Director, Administrative Services, and Chief Administrative Officer review the budget and draft financial plan with the senior management team.

Step 5: Financial Planning Committee Review

Financial Planning Committee will review and refine the draft budget before forwarding to Trust Council for review.

Step 6: Trust Council Review

Trust Council will review the draft financial plan, ensure alignment with their already-established goals and plans and give direction for change as required.

Step 7: Public Feedback & Consultation with Trust Municipalities

A feedback period will take place to allow members of the public to share their thoughts on the draft financial plan. Engagement with Trust Municipalities takes place.

Step 8: Financial Planning Committee Review

Financial Planning will review the draft budget taking feedback from public consultation into consideration. The draft financial plan will be reviewed at the same time before submission to Trust Council for approval.

Step 9: Trust Council Approval

Trust Council will review and approve the annual budget and 5-year financial plan bylaw for submission to the Ministry.

Step 10: Financial Plan Bylaw Submission to Ministry

Staff prepare a plan report to accompany the bylaw submission to the Ministry.

Phase 5: Progress Monitoring

At least quarterly, and as often as is required outside of that, progress measurement against strategic plan implementation milestones and objectives should be reported. Staff will report on progress on specific projects, as well as progress against the overall strategy implementation plan.

Ideas

Less pressure exerted on FPC to make content decisions at budget time.

The sequence of committee meetings needs to be reconsidered with regards budgeting

New process.....an updated progress monitoring function will need to be part of the corporate plan if it is to be successful.

Vision statements do not need to be long, complicated or overly descriptive. They are aspirational and ambitious and seek to inspire ourselves and others. Here are some examples:

Parksville	<i>We aspire to be the city of choice for ourselves and future generations in a clean, safe, friendly, economically viable and sustainable environment.</i>
Cowichan Tribes	<i>Through Quw'utsun heritage, we are working together respectfully for a healthier, safer and stronger nation.</i>
Islands Trust Conservancy	<i>A network of protected areas that preserves in perpetuity the natural systems of the islands in the Salish Sea.</i>
Capital Regional District (CRD)	<i>The CRD embraces cooperation, innovation, and bold leadership in the delivery of services that contribute to a liveable, sustainable and resilient region. We are a region where all residents are included and have access to a quality of life that is fulfilling for them; and where there is a healthy environment for current and future generations.</i>
North Cowichan	<i>North Cowichans spectacular natural areas and pastoral farmlands surround distinct, resilient communities where families and individuals of all backgrounds have the opportunity to thrive and prosper.</i>
Nanaimo	<i>To be a community that is liveable, environmentally sustainable and full of opportunity for all generations and walks of life.</i>
Saanich	<i>Saanich is a sustainable community where a healthy natural environment is recognized as paramount for ensuring social well-being and economic vibrancy for current and future generations.</i>
Whistler	<i>We protect the land – the forests, the lakes and the rivers, and all that they sustain. We enjoy a high quality of life in balance with our prosperous tourism economy. We seek opportunities for innovation and renewal.</i>
Corporate examples	While the focus is different these statements are simple, future oriented and aspirational
Oxfam	<i>A just world without poverty.</i>
Google	<i>To provide access to the world's information in one click.</i>
Whole Foods	<i>To nourish people and the planet.</i>
Islands Trust	To be determined

ATTACHMENT(S):

- 1. Session outline**

FOLLOW-UP:

Prepared By: Russ Hotsenpiller

Reviewed By/Date: September 6, 2023



Islands Trust

September 27, 2023

Islands Trust Council

Visioning Session

Background: Establishing a vision for the Trust Area is an important part of long range governance and a starting point for strategic and corporate planning. Following discussions on S3. of the Islands Trust Act, the Object Clause, Trust Council will be able to reflect and contemplate the future state of the region and ultimately the role of the Islands Trust in that future.

Purpose:

- 1. To conduct a vision session with Trust Council**
- 2. To develop a vision statement for the Islands Trust**

Process: **Workshop setting**

Step 1. Receive from staff a compilation of key words or phrases that relate to visioning drawn from the discussion regarding the preserve and protect mandate from previous day. Agree as a Council on key terms, boundaries and the task at hand (facilitated by staff).

Step 2. Share individual visions (Breakout into groups of 4-6)
Share with colleagues what you imagine the region looks like, how would you describe the lands, water, settlements, relationships, what are the issues that we face, what do we overcome to realize our future?

Step 3. See if you can agree as a group on a collective vision or model for the future for the region.

Step 4. Return to the main Trust Council table, share your vision with the plenary group.

Step 5. Combine key elements of group statements into a single vision.

- Be positive**
- Listen to others**
- Find common ground**
- Find the ‘what’ not the ‘how’**
- Believe that a vision can be found**

Resources: Russ Hotsenpiller, CAO

TIME	TOPIC	WHO
8:30 am – 12:00 pm	Visioning session	CAO and staff

Islands Trust Visioning Session, September 2016: Summary Report

Purpose

To capture and distil the emerging shared vision of the Islands Trust trustees. This will provide the basis of a draft vision that will be shared with constituent publics through the Fall for feedback.

Outcomes

- A short report with a set of clear themes that capture preliminary ideas for a shared, draft 10-year vision for the Islands Trust, to form the basis of conversations with Trust Area residents
- Graphic Recording of the day's collective work

Process/Method

Survey and Interviews

An online survey was fielded from July 27 – August 10th, 2016 to all 26 Islands Trust trustees. Twenty-five of them responded to the survey: two completed an in-email version and two submitted a Word version; the rest completed it on-line. All results were combined and collated. One Trustee participated in an in-depth interview in lieu of the survey; five others both completed the survey and were interviewed. Thus, 100% of the Trustees participated in the process.

Pre-Reading:

A briefing package was circulated to Trustees prior to the session. This included:

- State of the Islands Indicator Project Interim Report
- Results of the Life on the Islands: Area Resident Survey
- Copy of the Islands Trust Fund's Vision

Workshop Agenda

As part of a 3-day Trust Council meeting, a 6 hour facilitated workshop was held in Sidney, BC on September 13th. Participants included 24 of the 26 Trustees, the CAO and staff members. Four representatives from San Juan County Council also joined part of the meeting, and members of the public observed the session. The workshop was designed not to reach firm decisions or conclusions, but rather to generate ideas and identify common themes that could be used for community consultations on a 10 year vision for the Islands Trust. [See Workbook for details of the process, including the agenda] A graphic recorder visually captured the key ideas highlighted in this brief report. .

Key Themes

Caring, connected, diverse communities

- healthy, resilient, inclusive

Healthy natural environment

- islands are clean and green
- vibrant full forest ecosystems
- healthy oceans and forests
- more protected areas
- increased wildlife

Reconciliation and collaboration with First Nations

- caring for land and sea together with First Nations
- increased awareness and respect of First Nations
- island spirit-places are protected and respected

Local businesses and farming supported

- more locally grown food
- eat local

Water stewardship

- long-term, integrated water management
- protected water resources
- alternative water sources

Diverse, green, affordable housing

- neighbourhood 'nodes'/clusters of diverse and affordable housing
- different types of housing
- land ownership options (e.g. co-ops; community land trusts)
- better use of current built environment (e.g. convert some large houses into multi-unit homes)
- homes with small footprints (e.g. energy efficient; solar powered; using local materials; 'green')

Supportive (appropriate) technology

- -appropriate
- -electric plus 'electric-assisted' vehicles (e.g. bikes)

Renewable energy

- solar, wind, wave (tidal)

Some cross-cutting ideas

- Self-sustaining; be responsible
- Learning to live "smaller" – reduce our footprint/impact on the environment
- Cultural shift: sharing i.e. governance, housing, vehicles, food, power, cultures etc.

Other ideas

- Proactive planning
- Expand the Islands Trust

One theme that led to further discussion was around "Being a Leader/Role Model for the World". Terms such as "beacon of hope", "excellence in leadership", and "act locally, think globally" were used to try and define the theme further. This led to more extensive discussion and the creation of alternative ideas, which Trustees then ranked. In the end, two ideas received relatively high 'scores' – but they received only 7 'votes' each, out of 24 Trustees (staff did not participate in the ranking exercise). The top two ideas were:

- Exemplary care for an extraordinary place
- We, Island communities, work together with First Peoples and their ancient knowledge, to preserve and protect our islands and surrounding seas

Islands Trust

Vision Statement

Draft 1

Prepared for Russ Hotsenpiller, Chief Administrative Officer

9 November 2017

PROJECT

Create a written vision statement for Islands Trust, one that aligns with the graphic illustration, messaging of the Object of the Trust and detailed Policy Statement.

REFERENCES

I have included the original draft Vision Statement and the graphic illustration, as these may be helpful references when reviewing the proposed Vision Statement.

Original Vision Statement Submitted for Consideration

“Local First Nations have been stewards of the islands of the Salish Sea for millennia. The Islands Trust Council joins them in this responsibility through decisions and actions that foster collaborative decision-making in support of its vision:

The islands of the Trust Area have healthy and productive marine, aquatic and terrestrial ecosystems where resources are jointly managed with First Nations to sustain ecological and cultural values. Island communities are resilient, caring and diverse. Every islander has access to affordable housing, local food, enough clean water, and contributes to decision-making. Farmers, local businesses and non-profits are well supported and thriving. Island communities are recognized leaders in innovative actions and technologies within localized, post-carbon economies.”

Graphic Illustration:



RECOMMENDATIONS AND INTRODUCTORY NOTES

In our last meeting, we discussed the key points to be included in the new Vision Statement. We began by analyzing the original draft Vision Statement and identified the following:

- Marine environment is important to include
- Same for First Nations
- Don't need details focus on communities, but do reflect the spirit of community.
- Preserve and protect is an important concept to echo. However, it's more than that; it's ensuring the islands stay intact for the next generation.
- Potentially include affordable housing, or allude to it.
- While the statement should be inspirational, ensure it aligns with wording/brand voice of other Islands Trust materials.
- Consider the concept of living within our means: sustainability, self-sustaining, reducing impact on environment

Other recommendations:

Aspirational – As noted, I recommend creating a Vision Statement that is more aspirational in nature (e.g., “Our Vision is to have.....”) instead of outlining the end result (e.g., “Islands Trust has....”). In this way, the Vision Statement has a more energetic, striving, inspirational quality.

Clear and Concise – Keep the statement clear, concise and jargon-free. This will be most appealing to all readers, both internal and external.

Simple – Resist the urge to fit everything into the Statement. As a Vision, it should be high-arching and not get into copious amount of detail. When there’s too much detail, it’s difficult to read and understand.

NEW VISION STATEMENTS

Here are a few different versions for your consideration. (Note that these are drafts and merely to get us moving in the right direction.)

Version #1. (This version encapsulates the points above, presenting them in an active, aspirational manner, without getting too casual/edgy.)

Our vision is to work with First Nations to preserve and protect the unique marine and land environments of the Trust Area, keeping them pristine for current and future generations. We’re committed to the long-term sustainability of our communities, and to developing innovative solutions that ensure businesses and residents thrive in harmony with their environment.

Version #2. (This version plays more on the wording in the graphic statement, with a lively feel and the use of fragments, instead of full sentences.)

At Islands Trust, we have a vision: to preserve and protect the islands of the Trust Area. To create healthy, resilient communities, where innovative planning, affordable housing and environmental stewardship go hand in hand. To work in close alignment with First Nations, and remain true to ecological and cultural values. To ensure both current and future generations prosper and grow, while maintaining respect for the fragility of our natural environment.

Version #3. (This is short, sweet, and to the point. With Vision Statements, shorter is better!)

Our vision is to preserve and protect our unique marine and land environments in joint management with First Nations, and to ensure the long-term sustainability of island communities and businesses.

Version #4. (This is another version for consideration. Instead of making it aspirational, it’s more of a statement about Islands Trust.)

We maintain the unique and special character of the Trust Area, protecting and preserving both the marine and land environments. Our communities are at the heart of our efforts: we work in alignment with First Nations, residents and businesses to ensure a quality of life in harmony with our natural surroundings.



Islands Trust

September 27, 2023
Islands Trust Council
Visit to KELÁ_EKE Kingfisher Forest

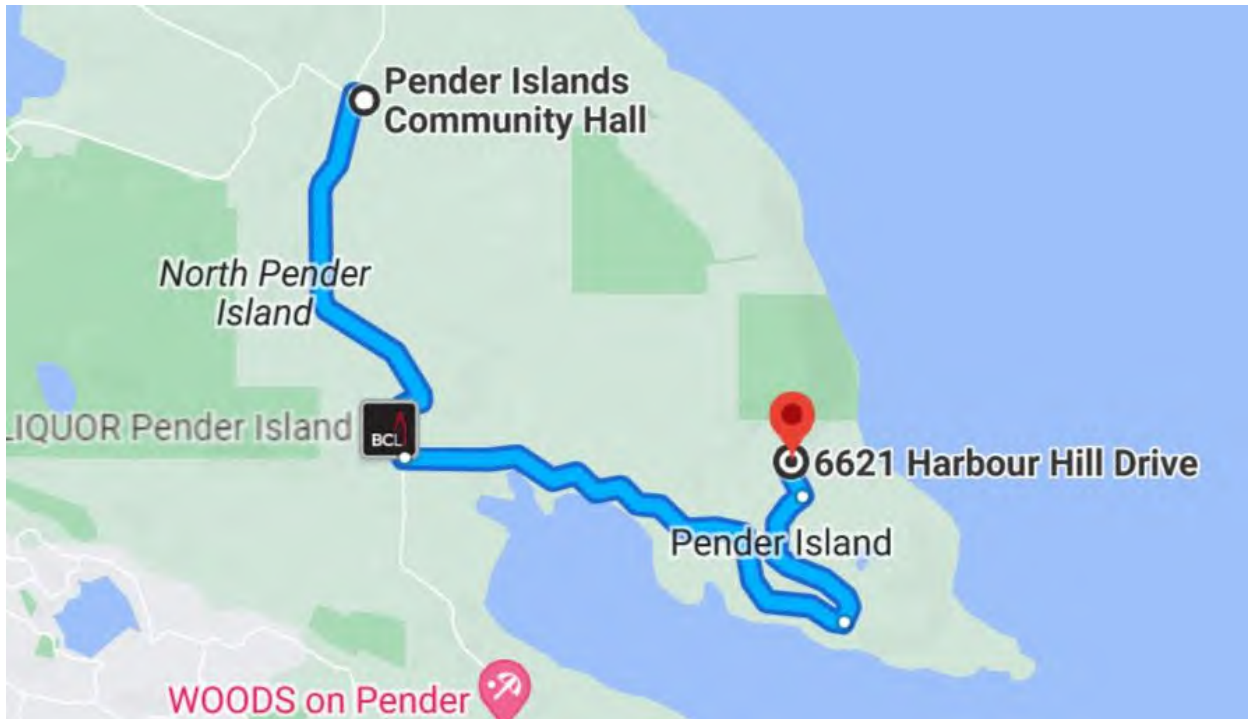
TIME	TOPIC	WHO
12:00 – 12:10	Pick-up To-Go Lunches, self organize carpool	All Trustees who wish to attend
12:10 – 12:20	Drive to KELÁ_EKE Kingfisher Forest	
12:20 – 12:55	Guided visit to KELÁ_EKE Kingfisher Forest	Shauna Doll, Raincoast Conservation & Erin O’Brian, Pender Islands Conservancy
1:00	Depart Forest, Arrive at Pender Islands Community Hall	
1:10	Arrive at Pender Islands Community Hall	

Background: KELÁ_EKE Kingfisher Forest is one of S,DÁYES’ newest protected areas. It was purchased in equal partnership by Raincoast Conservation Foundation and the Pender Islands Conservancy Association, in the duo’s second collaborative land protection campaign in two years. Its purchase was incredibly ambitious with a one year timeline and a campaign budget exceeding \$2 million. The fundraising campaign was launched in late December 2022 and the land purchase was successfully completed in January 2023.

Session Description: Island Trust Council Trustees are invited to visit KELÁ_EKE Kingfisher Forest, a 45-acre protected property on S,DÁYES. The session will be led by Shauna Doll, Forest Conservation Program Director with Raincoast Conservation Foundation, and Dr. Erin O’Brien, Ecology and Conservation Director with Pender Islands Conservancy. It will include a brief introduction to place near the entrance of the property, followed by a 30 minute walk through the forest. Approximately 15 minutes will be budgeted for any questions at the end of the walkabout, though questions may be posed throughout the walk to allow more time to enjoy being in the forest!

Safety and accessibility note: There are important safety considerations that attendees to the walkabout around KELÁ_EKE Kingfisher Forest should be aware of, including (but not limited to) tripping hazards like roots and slippery slopes, stinging insects like wasps, and low hanging branches that could scratch skin or tear clothing. Those attending should wear proper footwear and weather appropriate clothing and bring along any medications they may need to stay safe in the forest. A first-aid kit will be on site and trip leaders have up-to-date first aid certifications. The walkabout will be moderately challenging and may require walking uphill for a short amount of time (though a less strenuous path is also an option). Please note that if high winds are forecast on the day of the walkabout, the visit may be canceled to ensure everyone’s safety. As much notice as reasonably possible will be given if this should come to pass.

Directions to KELÁ_EKE Kingfisher Forest



- ↑ 1. Head north toward Bedwell Harbour Rd
59 m
 - ↶ 2. Turn left onto Bedwell Harbour Rd
2.1 km
 - ↶ 3. Turn left onto Razor Point Rd
2.5 km
 - ↶ 4. Turn left onto Harbour Hill Dr
850 m
 - ↶ 5. Turn left
170 m
- i** Destination will be on the right



12:15pm to 12:55pm Wednesday September 27, 2023
Islands Trust Council
TOUR OF MAGIC LAKE ESTATES, PENDER ISLAND

Background:

Tour around Magic Lake Estates (MLE) provided by the Magic Lake Property Owners' Society (MLPOS) Board

Purpose:

It may be of interest to some Trustees and staff to see how MLE has evolved nearly 50 years after its development given its role in the formation of the Islands Trust itself.

Resources:

Electric Van contracted by MLPOS from Lightning Taxi (250-629-2222 info@lightningtaxi.ca)

TIME	TOPIC	WHO
Noon-12:15	Pick up in Lightning Taxi Electric Van	Up to 18 Trustees and staff Guided by Mary Beth Rondeau, Secretary, MLPOS, with hand-out to support tour highlights.
12:15 -12:55	Guided driving tour of MLE showing infrastructure features including water/sewer, recreation parks, and data.	
12:55	Drop back at Community Hall	
	*Note there is no food allowed in the van so the time slot is proposed as max 40 minutes.	

The tour will include features including:

- A sustainable water system operated by Capital Regional District (CRD) serving 1200 lots using 2 lakes and tank storage at high elevation,
- Fire fighting security with regular fire hydrants,
- Sewer system for approximately 800 lots in the Buck Lake and Magic Lake watersheds,
- Parks system managed by CRD Pender Island Parks and Recreation Commission (PIPRC) and MLPOS,
- Public recreational access to Magic Lake and oceanfront,
- Thieves Bay marina owned and operated by MLPOS,
- Smaller lot size which allows a degree of affordability,
- Many home based businesses,
- Data such as population of approximately 2000 including 1500 full time residents in the total population of North Pender Island (2500 population).



APPLICATION FORM FOR DELEGATIONS TO ADDRESS ISLANDS TRUST COUNCIL OR A COUNCIL COMMITTEE

Overview

You may address Council (or a Council Committee) formally by: (a) presenting a petition or making a presentation as a delegation; or informally, by participating in (b) public comment sessions or (c) by correspondence. All correspondence, formal delegation presentations and petitions are treated as a public record.

Submissions

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I wish to address Islands Trust Council or Trust Council Council Committee

at the meeting of September 26-28

I REPRESENT EAGLE WATCH
(Name of Organization if applicable)

AS Coordinator
(Capacity/Office)

NAME OF PRESENTER or Alternate Dave Manning

ADDRESS [REDACTED] PENDER ISLAND, VON ZMO

TELEPHONE NO.(s) [REDACTED] E-MAIL [REDACTED]

My reason(s) for appearing is (are) and the substance of my presentation is as follows:

BALD EAGLES and TREES – The importance of
preserving big Douglas-fir trees for Eagle nesting and perching
(If more space is required, please attach an additional page to this form.)

- I will have a PowerPoint or video presentation and will submit it at least three weeks in advance of the meeting.
- I am aware that the meeting and my presentation will be live streamed via the Islands Trust website and recorded.

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Date: August 25, 2023 Signed: Dave Manning
(Signature of Applicant)

TO: Islands Trust Staff
FROM: Dave Manning (Coordinator of **Eagle Watch**), [REDACTED], Pender Island, V0N 2M0
Phone: [REDACTED]
RE: Bald Eagles and Trees
DATE: September 27, 2023

BALD EAGLES and TREES

We love our Eagles, a year-round resident and, along with whales, an iconic species here on our coast.

History of Eagle Watch: For 18 years I've been the Coordinator of **Eagle Watch**, a project to locate and monitor Bald Eagle nests, along with other raptors. On land and sea, I and other volunteer monitors have monitored nests on over 60 islands in the Salish Sea, including Pender, Mayne, Galiano, Saturna, Salt Spring, Gabriola, Denman and Hornby to name a few.

Data collected has been shared with the Hancock Wildlife Foundation in Surrey which has a master data base for all Bald Eagle nests along the BC coast, the Lower Mainland and up the Fraser Valley, and with various island Conservancy groups.

Grants have been given by Islands Trust Local Trust Committees, CRD, Pender Conservancy, Baillie Fund, Wildlife Tree Stewardship (WiTS), and others, providing auto and boat fuel, binocular, camera, spotting scope, GPS unit, rangefinder and a tree measuring tape.

Importance of Big Trees

Bald Eagle nest trees, Douglas-fir, are a habitat at risk on Salish Sea islands. Eagles build their large nests primarily in mature Douglas-fir trees (200-400 years old) that have sturdy branches to support such nests. Not just any big tree will do—limbs must have just the right configuration to support the nests. And the Eagles are continually adding materials to their nests, making them heavier and heavier.

Also important are **nearby trees, live or dead**: 1) for young Eaglets to make their first flights to (after over 2 ½ months in the nest, they are anxious to leave!), 2) a perch for parents to observe their chicks growing up and protect them from predators, 3) for parents to watch for prey in the surrounding waters (mainly fish), and 4) as a buffer to protect nests and nest trees from wind destruction.

Loss of Big Trees

Unfortunately we're losing these large Douglas-fir trees. They die; large nests can eventually break the supporting branches; people cut them down for safety reasons, for better views and for land development. For example, during my 18 years of monitoring nests on Pender Island, I've known at least **33** nests to have collapsed, one just a few weeks ago while a chick was still in it! And Eagles can't just move somewhere else to another territory. Eagles are very faithful to their own territories, which usually include 1-2 kilometers of shoreline and away from other Eagle territories. They will nest inland if necessary but that is not their preference. Of course these veteran trees are also beneficial to many other plant and animal species.

Bald Eagles are relatively tolerant of human activity and will nest in residential areas, but only if suitable nesting and perching trees exist. For example, in Magic Lake Estates, with 1200 half acre lots on Pender, there are 3 Bald Eagle nests that I'm aware of. If we want to see Bald Eagles continuing to inhabit our islands, it is advisable to establish Development Permit Areas for Eagle trees, as has been done on North Pender, and to enforce these DPAs.

Please direct any questions or comments to my above contact info.



Islands Trust

APPLICATION FORM FOR DELEGATIONS TO ADDRESS ISLANDS TRUST COUNCIL OR A COUNCIL COMMITTEE

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I wish to address Islands Trust Council or _____ Council Committee

at the meeting of Trust Council September 2023

I REPRESENT Friends of the Gulf Islands Society
(Name of Organization if applicable)

AS President
(Capacity/Office)

NAME OF PRESENTER or Alternate Jennifer Margison

ADDRESS [Redacted], Galiano Island

TELEPHONE NO.(s) [Redacted] E-MAIL [Redacted]

My reason(s) for appearing is (are) and the substance of my presentation is as follows:

To encourage the Governance Committee & Trust Council to proactively address the recommendations in the 2022 Governance Review Report

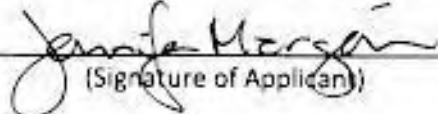
See attached presentation with slides.

(If more space is required, please attach an additional page to this form.)

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Date: September 4, 2023

Signed: 
(Signature of Applicant)



**Friends of
the Gulf Islands
Society**

*Working to protect the natural environment, surrounding waters and rural character of
the Islands Trust Gulf Islands.*


1

From the Governance Review Report:

“Current Trust Council practices do not meet the requirements set by good governance principles.”

2

**No significant governance changes were made from two previous reviews in 2007:
- Neilson-Welch and Stantec**



*“What if we don’t change at all ...
and something magical just happens?”*

3

**2022 Governance Review Report
warns of dangers:**

- no clear sense of direction or purpose;
- Trustees who don’t understand their collective and individual responsibilities;
- lack of an understanding of the roles and responsibilities in a federated governance model;
- conflict of interest;
- rubberstamping of important decisions;
- disregard of policies on a regular basis;
- Board micromanagement;
- interpersonal rivalries, distrust and factionalism;
- loyal to only their own constituency;
- Trustee disengagement; boring meetings that don’t engage Trustees;
- lack of regular Council assessment, including self-assessment;
- overloading Trustees with briefing material; and information for decision-making (P.16)

4

Six Recommendations:

- ▶ 1. A shared understanding among trustees of the Islands Trust mission and mandate is essential to good governance.

5

- 2. Conduct a carrying capacity study for each island.



6

▶ 3. The dual responsibilities:

- to act on behalf of the entirety of the Islands Trust Area to preserve and protect the trust area and its unique amenities and environment for the benefit of residents of the trust area and of the province generally;
- and in a manner consistent with the Policy Statement, act in the best interests of their Local Trust Area

should be acknowledged and discussed so Trustees know what this means.

7

- ▶ 4. More committees should be formed that would include outside expertise.



8

▶ 5. Membership on Trust Council should be increased to represent both First Nations and the interests of the province as a whole.

9

▶ 6. Include governance expert, Maryantonett Flumian or another author of the Report as a member of the Governance Committee.


10

Six Recommendations:

- ▶ 1. A shared understanding among trustees of the Islands Trust mission and mandate is essential to good governance.
- ▶ 2. Conduct a carrying capacity study for each island.
- ▶ 3. The dual responsibilities should be acknowledged and discussed so Trustees know what this means.
- ▶ 4. More committees should be formed that would include outside expertise.
- ▶ 5. Membership on Trust Council should be increased to represent both First Nations and the interests of the province as a whole.
- ▶ 6. Include governance expert, Maryantonett Flumian or another author of the Report as a member of the Governance Committee.

11

Thank you for your attention.
Questions? Comments?



Friends of the Gulf Islands

12

Delegation Presentation - Friends of the Gulf Islands Society

for Sept. 2023 Trust Council Meeting

Presented by Jennifer Margison, Galiano Island

Governance Review Follow-up: Getting Value for Our Dollars

Slide 1

In March 2021, Great North Management received a request from the Islands Trust Council to undertake a review and make recommendations pertaining to governance and management policies. In February 2022, they submitted their thorough report and excellent recommendations.

Slide 2

The Executive Summary of that report states on the first page: "Current Trust Council practices.....do not meet the requirements set by good governance principles." (P.1)

Since that time, we have had a Trustee election and we have a new Trust Council and the creation of a Governance Committee.

Slide 3

It is a warning that no significant governance changes were made from two previous reviews both in 2007: the Neilson-Welch governance review and the Stantec review of local planning services. We hope this time will be different.

The 2022 Great Northern Management Review Report emphasizes that a governance review is never an end in itself and that there is a pressing need to modernize the Trust's governance framework. We urge the Governance Committee and Trust Council to spend their time on the critical recommendations of the current report.

Slide 4

The Report warns, of among other things, the dangers of:

- no clear sense of direction or purpose;
- Trustees who don't understand their collective and individual responsibilities;
- lack of an understanding of the roles and responsibilities in a federated governance model;
- disregard of policies on a regular basis;
- loyal to only their own constituency;
- Trustee disengagement; boring meetings that don't engage Trustees;
- lack of regular Council assessment, including self-assessment;
- overloading Trustees with briefing material; and information for decision-making (P.16)

The new Governance committee has held 6 meetings since January 2023. We understand that creating a "vision statement" is proposed at this point. Yet in 2017, 4 vision statements were drafted and none could be agreed upon. We caution against spending time on yet another fruitless exercise when in fact the report states, "The first challenge that confronts the Trust is to agree on how to interpret the Preserve and Protect Object" of the Trust Act". (P.20)

Slide 5

Friends of the Gulf Islands Society suggest that Trust Council prioritize the following six recommendations from the Governance Report:

1. We agree with Trustee Bernardo who said in the July 31, 2023 Governance Committee meeting, "Our vision has been defined for us. It is in Section 3 (the Object of the Trust Act)." We suggest instead spending your valuable time on defining what the Object means as per the Governance report recommendation.

A SHARED UNDERSTANDING AMONG TRUSTEES OF THE ISLANDS TRUST MISSION AND MANDATE IS ESSENTIAL TO GOOD GOVERNANCE

Slide 6

2. Directly related to and underpinning that vision, again from the Governance Report is the statement that, "there is no comprehensive analysis of the Trust Area's capacity to sustain current population and activity, and its ability to accommodate more growth and development, especially in light of climate change and other considerations." (P.4)

CONDUCT A CARRYING CAPACITY STUDY FOR EACH ISLAND

Slide 7

3. The Report states that, "The fundamental and most important characteristic of the Islands Trust model is its unique federal structure. The locally-elected Trustees have two sets of fiduciary responsibilities. First, to act on behalf of the entirety of the Islands Trust Area to preserve and protect the trust area and its unique amenities and environment for the benefit of residents of the trust area and of the province generally. Second, in a manner consistent with the Policy Statement, act in the best interests of their Local Trust Area." (P.12) The Report goes on to say that lack of recognition of this dual responsibility "encourages unhealthy tension and behaviors that are not designed for consensus building". (P.12)

THESE DUAL RESPONSIBILITIES SHOULD BE ACKNOWLEDGED AND DISCUSSED SO TRUSTEES KNOW WHAT THIS MEANS

Slide 8

4. The Report encourages a greater number of committees, "...each with a sharper focus on particular priorities or areas of interest" (P.3), and suggests that the expansion of membership on committees to those who have expertise in the subject would both

aid in the process of committee work and the credibility of committee recommendations to Trust Council. The report also states that, "there is an important onus on committee members to ensure proposals have been considered from a Trust-wide, federal point of view." (P.30)

MORE COMMITTEES SHOULD BE FORMED THAT WOULD INCLUDE OUTSIDE EXPERTISE

Slide 9

5. Reconciliation is in danger of being narrowly confined to fine-sounding words on paper and earnest land acknowledgements at the beginning of meetings that will all lose meaning as time goes on.

MEMBERSHIP ON TRUST COUNCIL SHOULD BE INCREASED TO REPRESENT BOTH FIRST NATIONS AND THE INTERESTS OF THE PROVINCE AS A WHOLE

Slide 10

6. The last Trust Council supported the idea of having an independent advisor, Maryantonett Flumian, one of the authors of the Governance Review Report and allocated \$15,000 for this expertise. She stated that trustees are working within "one of the most burdensome and heavy governance structures that I've ever seen for an organization of this size." Today, as we put this forward as the last item on our shortlist of recommendations from the Report, we would like to ask the Trust Council why this has not been actioned?

INCLUDE INDEPENDANT GOVERNANCE EXPERT, MARYANTONETT FLUMIAN OR ANOTHER AUTHOR OF THE REPORT AS A MEMBER OF THE GOVERNANCE COMMITTEE.

Slide 11

In the view of The Friends of the Gulf Islands Society, attention to these six areas, as identified in the 2022 Governance Review Report should receive the immediate and sustained attention by the Governance Committee and Trust Council, and would be likely to reduce the potential pitfalls listed at the beginning of this presentation.

Slide 12

From: Peter Pare <[REDACTED]>
Sent: Tuesday, September 5, 2023 5:01 PM
To: Executive Admin
Subject: Delegation to the Islands Trust Council
Attachments: Trust Council Power Point SBO.pptx; delegation-application-form.pdf; Trust Council Statment.docx

Please find attached and application to make a presentation to the Trust Council at the September meeting on Pender Island. Also a summary of the issue which involves a request to IT Council to join the lawsuit against Big Oil companies and as set of slides that I will be showing at the meeting.

Thank you.

Peter D Pare
Emeritus Professor of Medicine, University of British Columbia
[REDACTED]

Pender Island, BC, V0N2M1
[REDACTED]

e-mail
[REDACTED]



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I wish to address Islands Trust Council or _____ Council Committee

at the meeting of _____

I REPRESENT _____
(Name of Organization if applicable)

AS _____
(Capacity/Office)

NAME OF PRESENTER or Alternate _____

ADDRESS [REDACTED] _____

TELEPHONE NO.(s) [REDACTED] E-MAIL [REDACTED] _____

My reason(s) for appearing is (are) and the substance of my presentation is as follows:

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Date: _____ Signed: _____
(Signature of Applicant)

For decades, oil and gas corporations have known that burning fossil fuels would cause the heat waves, wildfires, drought and flooding that we're now experiencing in BC and around the world. They spent millions to deceive, deny and distract us while making billions in profit by preventing action on climate change. Municipalities and Regional Districts across BC are joining forces to sue these companies for a portion of the costs to taxpayers of adapting to climate change.

This delegation will ask the Islands Trust to contribute to this effort by joining with the Regional Districts to allocate a small amount of money support this initiative.

Recovering the Costs of Climate Change

Presentation to the Islands Trust Council
 Peter Paré
 The Gulf Islands' Sue Big Oil Group
 September 2023

Actual Costs

- Lytton Fire 2021: \$100M+
- BC floods 2021: \$13B

Costs of Climate Change: Present and Future

\$5.3 Billion annually

Insurance Bureau of Canada estimated cost of climate impact at municipal level

The Islands are disproportionately impacted by Climate Change

- Adverse consequences of sea level rise
- Saltwater incursion & foreshore property damages
- Increasingly droughts ➡ loss of forest cover
- Stress on local agriculture
- Increased potential for wild fires.
- Heavier winter rains ➡ increased costs for road repair, culvert replacement and property damage.

Anticipated Costs

Funding from the Sue Big Oil lawsuit could help the Trust

- Implement the recommendations of your Freshwater Sustainability Strategy
- Funding for the Islands Trust Conservancy for adaptation/maintenance of parks
- Pay for the repair and retrofitting of water storage
- Pay for the repair and relocation of wells and septic fields affected by salt intrusion
- Pay for the increased fire preparation in building costs

The other cost is adverse health effects

- During the 2021 Heat Dome, 600 people died in BC
- Climate change ➡ Increased the likelihood of cardiovascular and respiratory illnesses like asthma
- Mental health issues and eco anxiety, especially among young people, are prevalent.

Why Climate Litigation?

Precedent for such lawsuits

- Tobacco companies suppressed knowledge about the harm that their product causes and have been held to account in massive law suits. 
- Big Pharma companies have been sued for billions for making false claims. 

Climate Crisis vs Corporate Profits

\$3 BILLION daily

Profits generated by the fossil fuel industry globally (1970s to present)

In 2022,

- Exxon = \$56 B
- Shell = \$40 B
- Chevron = \$35 B

Support for this Motion

- In 2019, 28 law professors across Canada published an open letter, arguing in favour of the case against Big Oil.
- A poll by Stratcom Strategic Communications showed that 69% of BC residents support SBO
- On Denman 85% of those canvassed signed the declaration
- At a recent farmers market on North Pender 89% of the 150 people canvassed signed the declaration.

Call to Action

We are requesting that the following motion be passed by the Islands Trust.

THAT the Islands Trust:

- Set aside at least \$0.50 per resident in the 2023 budget towards a community fund to sue Big Oil;
- Commit to joining with other local governments in BC to file a class action lawsuit to recover a fair share of our costs related to the climate crisis; and
- Cooperate with First Nations in doing so.

Support for this Motion

Citizen engagement in SBO

- Vancouver
- Victoria, Saanich and Sooke
- Comox Valley (Regional District)
- Nanaimo
- Sunshine Coast
- Qathet (Powell River)
- Burnaby
- Mission
- Surrey
- North Vancouver
- Qualicum Beach
- Squamish
- Whistler
- Rossland
- Nelson
- Kelowna



Why Climate Litigation?

Given the level of support in the community and the costs we're facing, we believe suing the top five oil companies is a prudent, fiscally responsible, fair, low risk, forward-thinking action.



Questions?



Why Climate Litigation?

The [UN secretary general argued](#):

"Legal challenges against climate-wrecking corporations are an important step forward. Fossil fuel producers and their financial backers need to understand a crucial truth: pursuing mega-profits when so many people are losing their lives and rights, today and tomorrow, is completely unacceptable."

-February 27, 2023



Why Climate Litigation?

- In 2019, the Islands Trust Council declared a climate change emergency, committing to take urgent and fair climate action
- Joining the lawsuit is a natural extension of this action



Islands Trust

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I wish to address Islands Trust Council or _____ Council Committee

at the meeting of September 26-28, 2023

I REPRESENT Pender Forest Stewards
(Name of Organization if applicable)

AS Spokesperson
(Capacity/Office)

NAME OF PRESENTER or Alternate Andy Nowak

ADDRESS [Redacted], Pender Island

TELEPHONE NO.(s) [Redacted] E-MAIL [Redacted]

My reason(s) for appearing is (are) and the substance of my presentation is as follows:

Gulf Island residents are concerned about the supply and quality of water especially in the new reality of changing climate. We are requesting effective action through collaboration to protect watersheds.

(If more space is required, please attach an additional page to this form.)

- I will have a PowerPoint or video presentation and will submit it at least three weeks in advance of the meeting.
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Date: 2023-09-04

Signed: [Signature]
(Signature of Applicant)

Freshwater Security for the Islands Trust Area

- The effects of climate change are clear, present, and dangerous.
- Water security is of immense importance to ongoing human habitation of the islands in the Salish Sea, and to the ecosystems upon which we depend.
- The Islands Trust has completed an impressive amount of work towards understanding freshwater resources on the islands, and states that a goal is to “Protect ecosystems and the overall health of watersheds and groundwater in the Islands Trust Area” (Freshwater Sustainability Strategy).
- There are many recommendations provided in reports and the Freshwater Sustainability Strategy that we, as residents of North Pender Island, support and wish to see implemented.
- Science, policy and planning, regulation, and advocacy are all essential approaches within the jurisdiction of the Islands Trust that can make water security for islanders possible, even in a changing climate.
- The provincial Water Sustainability Act (2016) gives local governments the ability to proactively work with the Province to resolve conflicts between water users and protect water sources and aquatic ecosystems. The Trust’s Freshwater Sustainability Strategy can inform the development of a Water Sustainability Plan, which the Trust Council should request from the Province for the Islands Trust Area.
- We urge the Islands Trust to implement the key recommendations of the Freshwater Sustainability Strategy. Given the urgency of the risks facing our water sources and health of freshwater ecosystems, immediate action can be taken: link water management to land use planning decisions (e.g. consider water in any rezoning and development applications); protect the priority recharge areas that have already been identified; engage the public in understanding that they live *within* their watershed and empower them to help protect it; create a reliable water budget using *current* water demand data; coordinate the various governments and agencies with authority over water resources and include First Nations and communities.

General

Planning Services staffing transition during 2023/24 second quarter include:

- Northern Office: Co-op Planner term completed, Island Planner on parental leave, new temporary Planner 2, vacancy: 1.4 FTE Island Planner
- Salt Spring Office: new Planner 1, New Planning Team Assistant, New Office Administrative Assistant
- Victoria Office: new temporary Planning Technician; new Planner 1;
- Bylaw Compliance and Enforcement: Planning Services Administrative Assistant position now vacant – hiring competition currently in process

Operational Projects

Ombudsperson Administrative Fairness Review of Bylaw Compliance and Enforcement

The Office of the Ombudsperson has completed their comprehensive review of bylaw compliance and enforcement policies and procedures. The review provides feedback and suggestions on ways in which administrative fairness may be enhanced. The review will be presented to Trust Council during the September 2023 Trust Council meeting.

Local Government Development Approvals Program

CityView servers and software have been fully deployed to replace the existing Trust Area Property Information System. A stakeholder kickoff meeting was held in March 2023. Extensive process mapping and database analysis has been largely completed as of September 1, 2023. Currently Cityview is building the software as per mapping and analysis. Next steps are validation (an extensive and exhaustive testing of the new software), followed by User Acceptance Training, End User Training, and finally, going live. The project managers for both the Islands Trust and Cityview have both taken new positions causing a delay in the project. UBCM (the funders) have confirmed that the completion deadline may be extended to January 15, 2024 although staff are seeking a further extension to February 29, 2024 to allow more time for product testing, to account for seasonal vacations, and to ensure proper change management.

Planning Services Renewal

The Islands Trust is in the process of reviewing its administrative support service function and addressed a number of outstanding issues, including:

- Administrative staff who do similar work report to a number of different managers throughout the organization

- Administrative processes for similar work may differ between the three Islands Trust offices
- Administrative staff are increasingly available to work from home while some tasks remain office centric
- Standard operating procedures for regular administrative tasks have not been kept up to date and are not used
- Trust Council approved funding for two new administrative positions (one permanent and one temporary) and there is a desire to ensure that they are incorporated appropriately in the structure of the organization. These positions have been submitted to the Public Service Agency for approval
- Trust Council approved funding for two planning service administrative position reclassifications. These reclassifications have been submitted to the Public Service Agency for approval.

Salt Spring Office Relocation

The Salt Spring Island Office has been given notice that the office lease will be terminated effective July 2024. Staff are currently reviewing options and developing a timeline for the required relocation of staff and equipment.

Regional Planning

Regional Planning Committee (RPC)

Housing Strategy and Toolkit. On [April 27, 2023](#) the RPC initiated discussions related to the development of a Trust Wide Housing Strategy / Action Plan which includes a comprehensive housing toolkit. The report outlines why a strategy is needed and key focuses for strategy goals. Two key focuses staff identified are: 1) what to build and where to build it and 2) how housing will be built and supported.

What to build and where includes development of a suitable land analysis. Suitable land analysis maps would start by projecting development potential according to zoning and infrastructure and help answer the basic question: how much land might ultimately be developed, at what density, and where according to existing bylaws. The next step is to add opportunity and constraint layers to the map. For example, mapping layers may include groundwater availability, proximity to transit, suitable habitat to protect species at risk, sensitive ecosystems, known cultural heritage areas, parks and protected areas and other identified community values. Other feasible data may include building permit data, bulk water delivery data, ferry travel, hydro usage, and sea level rise data although these layers will not inform the first iteration of suitable land analysis maps which will be based on current available data within the Islands Trust.

The toolkit being developed also includes tools to help guide how housing may be supported including LTC-driven policy and regulatory projects to help facilitate smooth rezoning and other development applications by non-profit housing providers.

The RPC held an electronic special meeting on July 27, 2023 to review and edit the draft Housing Options Toolkit (see [July 27, 2023 agenda](#) for details).

The RPC held an electronic regular business meeting September 6, 2023. At that meeting RPC considered several items related to strengthening housing affordability throughout the Islands Trust area. Items included a briefing that scanned recent and current activities addressing housing, a Housing Needs Gaps Analysis produced by Urban Matters, and a draft Housing Strategy. The RPC provided feedback on the draft Housing Strategy and requested that the Housing Strategy and Housing Options Toolkit come together in a complete first draft for the November 2023 regular business meeting.

The RPC considered three business cases but only supported forwarding the following two to the Financial Planning Committee: 1) advancing and implementing a Housing Strategy and Housing Options Toolkit, and 2)

updating Housing Needs Reports for all local trust areas except Salt Spring Island and Bowen Island Municipality. The RPC also recommended, via [draft] resolution,

“that the Executive Committee include the financial support for completing the Housing Needs Assessments in the Trust Area within the strategic request for funds from the Province.”

The RPC declined to forward a business case seeking funding to complete eelgrass mapping and instead asked for a terms of reference for potential grant funding and to explore partnership opportunities.

The RPC appointed Trustees (Chair) Patrick and Elliott to the joint working group with Trust Programs Committee to: 1) review the goals and targets of the Kunming-Montreal Global Biodiversity Framework, and, 2) report on how Islands Trust could best incorporate and contribute to these.

The RPC also reviewed a briefing summarizing the recommendations of the 2022 Governance Review - Annex 1 – specific to Planning Services. No resolutions were carried.

Freshwater Sustainability

RPC continues to support implementation of the Freshwater Sustainability Strategy which itself is a component of the Islands Trust Council’s 2018-2022 Strategic Plan. A Freshwater Technologist coop student has been hired and is assisting the Senior Freshwater Specialist to undertake coordination activities relating to education of staff, trustees, and public with respect to mapping, data management, and other strategy deliverables.

Local Trust Committee (LTC) Project Management

In 2022, the Islands Trust Council adopted amended policies (5.9.1; 6.2.1; and 6.7.1) to support the systematic update of Official Community Plans and Land Use Bylaws on a regular basis, support co-ordination of Local Trust Committee (LTC) projects with regional initiatives, support realistic expectations for volume and timing of project completion, and promote the fair, efficient and equitable allocation of staff and financial resources for major LTC projects. The policies are steadily being implemented and applied as of April 2023. The current status of major and extraordinary LTC projects (projects over \$5,000) are listed in Table 1 below. The table includes RPC projects as they are managed by the Regional Planning Team who are generally the same team working on major LTC projects and current RPC projects have thus far assisted in advancing major LTC projects.

Table 1 Major and Extraordinary LTC Projects Approved by Trust Council

Local Trust Committee	Major or Extraordinary Project Name	Project Phase	Current Status
DE	Housing Review	Analysis & Consultation	On-going
GB	OCP/LUB	Initiated	On-going
GM	OCP/LUB Targeted Amendments	Consultation	On-going
HO	OCP Amendments	Consultation	On-going
SS	Ganges (Shiya’hwt/SYOWT) Village Area Plan	Analysis and Consultation	On-going
SS	OCP/LUB (CDF and Housing)	Analysis	On-going
RPC	Freshwater Sustainability Strategy Implementation	Analysis and Implementation	On-going

RPC	Suitable Land Analysis (mapping)	Analysis	On-going
RPC	Housing Needs Gaps Analysis	Complete	Complete
RPC	Housing Strategy Communications	Analysis	Pending

Minor Projects

As per Islands Trust Council adopted amended policies Local Trust Committees are permitted one active minor project. The exception is that the Salt Spring Island Local Trust Committee is permitted three active projects. The total funding available for all active minor projects is \$36,000.

Table 2 Minor Active Projects per Local Trust Committee

Local Trust Committee	Minor Active Project Name	Project Phase	Current Status
DE	Farming Regulations Review	Legislative	On-going
GB	Ecological Protection Zone	Legislative	On-going
GL	Groundwater	Legislative	On-going
GM	Keats Island Shoreline Protection Review	Legislative	On-going
HO	Community Heritage Register	Pre-Project	Pending
LA	OCP/LUB Review (targeted)	Analysis	On-going
MA	Minor LUB Amendments	Analysis	On-going
NP	Groundwater	Drafting	On-going
NP	LUB Review	Legislative	On-going
SA	LUB Amendment	Pre-Project	Pending
SP	LUB Amendment	Pre-Project	Pending
SS	Housing Action Program	Legislative	On-going
TH	LUB Amendment - Unzoned Marine Area	Pre-project	Pending

As evidenced by the “pending” status, various LTC’s are advancing new minor projects. These projects will maximize and optimize all available funding and resources.

Current Planning (applications, referrals, and enquiries)

Planning Services opened 134 new applications and referrals in the first quarter (Q1) of the 2023/24 fiscal year (Figure 1). The volume of new applications follows similar Q1 trends pre-COVID-19. It is unclear which direction applications will trend overall; however, land development generally has a cycle as observed in the graph below and includes a slow down in new applications being received over the late summer and fall months (Q2 and Q3). Figure 3 shows applications opened in Q2 broken down by type and Local Trust Area. For clarity, the numbers listed in both figures indicate new applications and do not show the total number of current applications open or in abeyance.

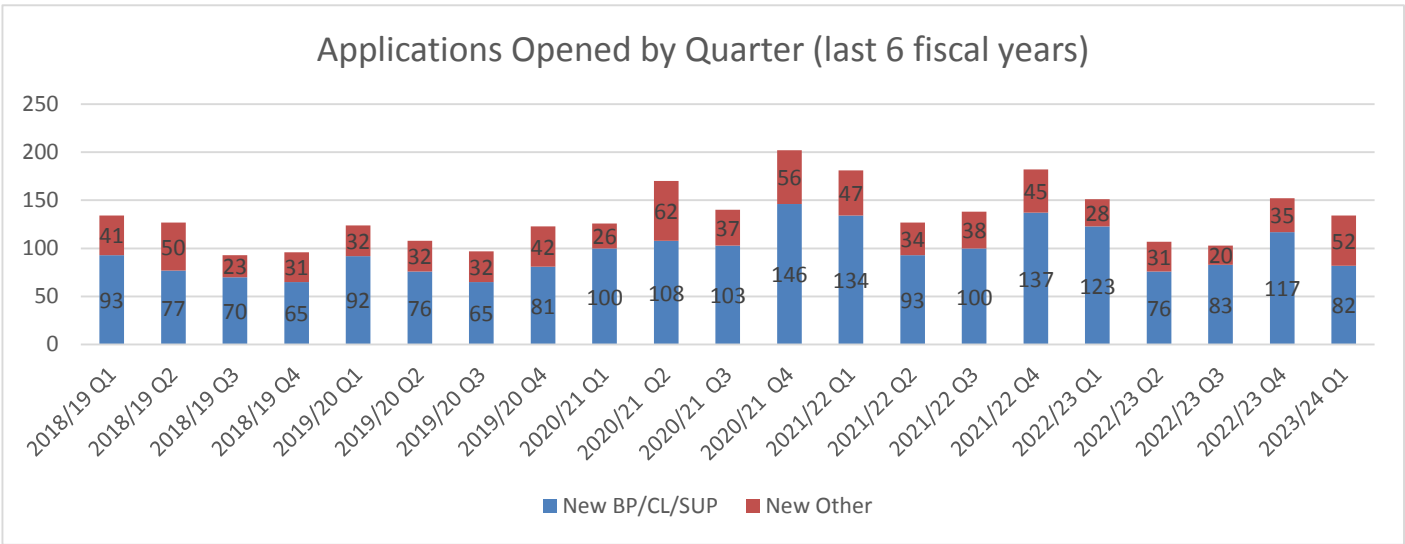


Figure 1 Applications Opened by Fiscal Quarter (last 6 fiscal years)

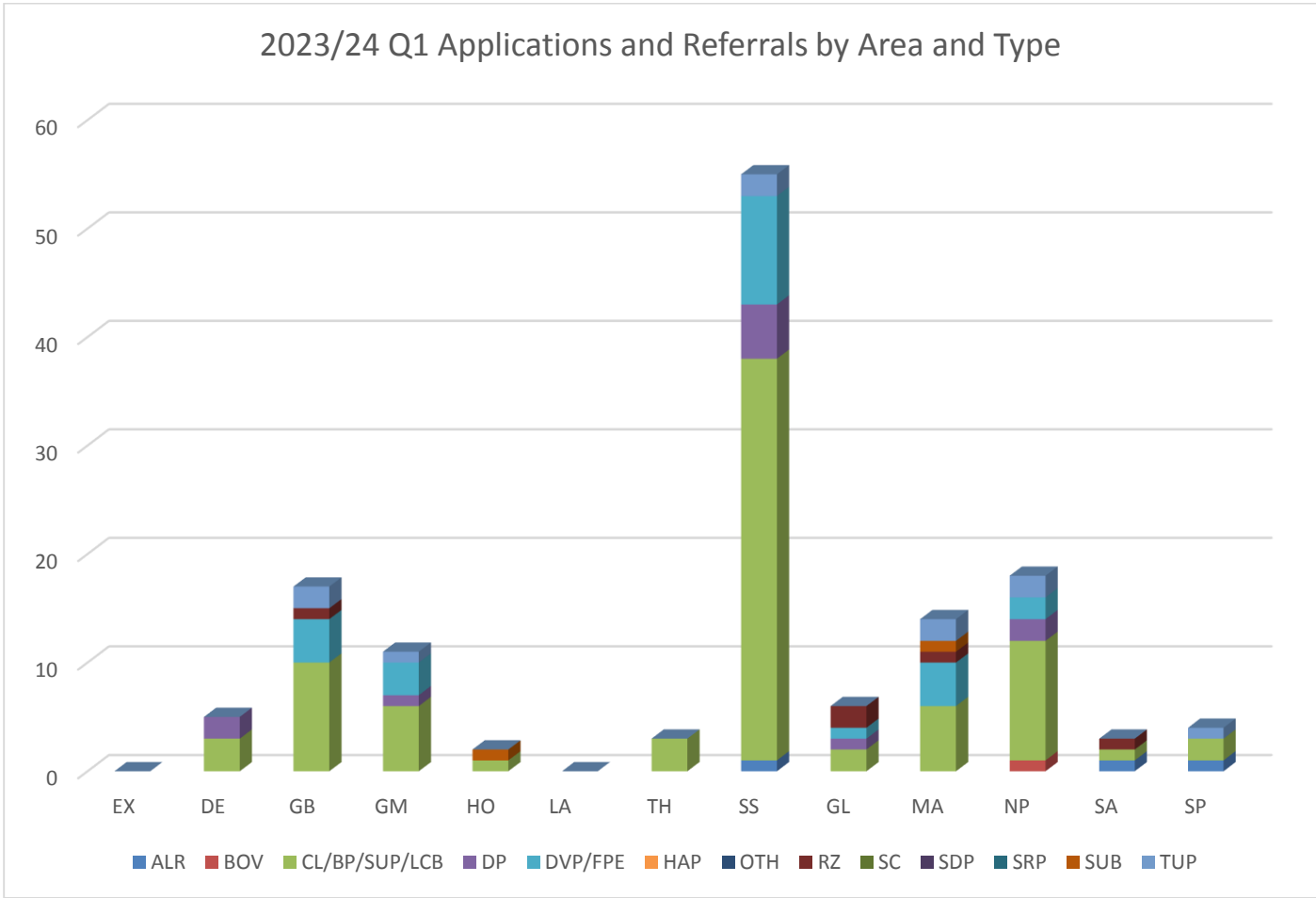


Figure 2 2022/24 Q1 Applications and Referrals by Area and Type

Active Projects Report

Regional Planning Committee

1. <i>Protect quality and quantity of fresh water resources of the Trust Area</i>	Responsible	Dates
<p>Strategic Plan item #2.4: FWSS-completed; Implementation plans being developed.</p> <p>Strategic Plan item #2.5 - Groundwater Mapping & water budgets - Contract work received March 2023.</p>	<p>Sonja Zupanec Stefan Cermak William Shulba</p>	<p>Rec'd: 12-Feb-2020 Target: 31-Mar-2023</p>
2. <i>Strengthen housing affordability throughout the Islands Trust Area</i>	Responsible	Dates
<p>Strategic Plan item #4.4 iv- Model Density Bylaw. Repurposed to be a Planner forum March 1, 2023 to update baseline report with housing strategies and tools; Working Group formed to review forum results and plan trustee education session.</p>	<p>Narissa Chadwick Stefan Cermak</p>	<p>Rec'd: 12-Feb-2020 Target: 31-Mar-2023</p>
3. <i>Strengthen relations with First Nations</i>	Responsible	Dates
<p>Strategic Plan item #4.8: Heritage Conservation Overlay Mapping. Phase 1 complete. Phase 2 not started due to loss of key staff, loss of key consultants, and feedback from various First Nations.</p>	<p>Robyn Kefi Stefan Cermak</p>	<p>Rec'd: 12-Feb-2020</p>
4. <i>Preserve, protect and advocate for forest and terrestrial ecosystems</i>	Responsible	Dates

Active Projects Report

Regional Planning Committee

Strategic Plan item #1.1: Model CDF Protection DPA. SS LTC developed communications materials but changed to Wildfire DP (which could protect some CDF).

Chris Hutton
Louisa Garbo
Stefan Cermak

Rec'd: 12-Feb-2020
Target: 29-Mar-2024

5. *Manage Trust Council Strategic Plan Action Items*

Responsible

Dates

Specific activities that are to be pursued over the next 3-6 months to complete an element of a priority are highlighted as per Islands Trust Council Policy 6.7.1. Top Priority broken out into list of relevant strategic plan actions items. 1.2 (CDF), 2.2 (eelgrass) 2.3 (shoreline), 2.4(freshwater), 2.5. (aquifers), 4.4.iii (FAR), 4.4 .v(strata), and 4.8 (heritage).

Rec'd: 29-Jul-2020
Target: 19-Dec-2022

Future Projects Report

Regional Planning Committee

1. *Shoreline Marine Planning*

Responsible

Date Received

Trust Council - 2015-2018 Strategic Plan Item

09-Nov-2017

Conduct a working group session to brainstorm possible directions.

2. *Preserve, protect and advocate for forest and terrestrial ecosystems*

Responsible

Date Received

1. Map contiguous tracts of the Coastal Douglas-fir zone (CDF) and associated ecosystems to aid in protection of that zone and its associated ecosystems (Completed March 31, 2020) (2018-2022 Strategic Plan item 1.1).

12-Feb-2020

2. Create a model development permit area for Local Trust Committee-Bowen Island Official Community Plans bylaws to protect Coastal Douglas-fir zones throughout the Trust Area (2018-2022 Strategic Plan item 1.2).

3. *Preserve and protect marine ecosystems*

Responsible

Date Received

1. Map the extent of eelgrass and kelp beds throughout the Trust Area (2018-2022 Strategic Plan item 2.2). Phase 1 (GIS and aerial data review) done. Phase 2 - groundtruthing - feasible next step.

12-Feb-2020

2. Undertake a review of Local Trust Committee- Bowen Islands Municipality foreshore policies and regulatory bylaws and develop model policy and regulatory bylaws for the protection of the foreshore and nearshore (2018-2022 Strategic Plan item 2.3). Received Consultants Report.

Regional Planning Committee

4. *Protect quality and quantity of fresh water resources of the Trust Area*

Responsible

Date Received

1. Map and develop water budgets for groundwater aquifers in the Trust Area (2018-2022 Strategic Plan item 2.5)
2. Develop a model land use regulation regarding freshwater sustainability including groundwater, rainwater catchment and greywater recycling (2018-2022 Strategic Plan item 2.6).
3. -Develop an Islands Trust Freshwater Sustainability Strategy policy document and recommendations for implementation of the Freshwater Sustainability Strategy

12-Feb-2020

5. *Strengthen housing affordability throughout the Islands Trust Area*

Responsible

Date Received

Implement the high priority actions outlined in the Affordable Housing in the Trust Area: Strategic Actions for Islands Trust previously referred by Trust Council:

1. Develop model bylaws that use floor area ratio as a density metric for consideration of implementation in local trust area land use bylaws (2018-2022 Strategic Plan item 4.4 iii).
Received Consultants Report.
2. Develop model density bonus bylaws for consideration of implementation in local trust area land use bylaws (2018-2022 Strategic Plan item 4.4 iv).
3. Develop model bylaws to address the use of building stratas as a tool for affordable housing (2018-2022 Strategic Plan item 4.4 v).

12-Feb-2020

6. *Mitigate and adapt to climate change impacts*

Responsible

Date Received

Future Projects Report

Regional Planning Committee

1. Amend Official Community Plans and land use bylaws to foster climate change resilience, including measures to protect Coastal Douglas fir, foreshore and nearshore environments and groundwater. (2018-2022 Strategic Plan item 3.2).

12-Feb-2020

7. *Update the model strategy for antennae systems*

Responsible

Date Received

09-Feb-2022

8. *Develop healthy, resilient island communities*

Responsible

Date Received

Work on a suite of projects that will employ two lenses: mitigating and adapting to the effects of climate change; and managing growth by cultivating equitable, inclusive, and resilient communities and the natural environment.

27-Apr-2023

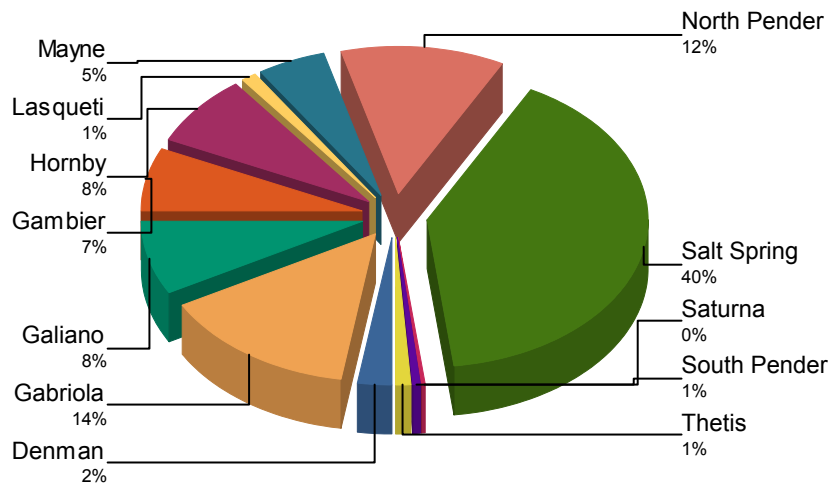


Bylaw Enforcement - Open Files as of September 01, 2023

Local Trust Area	2020		2021		2022		2023		2022 Q4		2023 Q1		2023 Q2		2023 Q3*	
	Open	%	Open	%	Open	%	Open	%	Open	%	Open	%	Open	%	Open	%
Denman	21	5%	22	4%	21	3%	16	2%	20	3%	15	2%	16	2%	16	2%
Gabriola	49	11%	84	15%	79	13%	94	14%	81	13%	90	14%	94	14%	94	14%
Galiano	51	12%	48	9%	51	8%	52	8%	44	7%	46	7%	52	8%	52	8%
Gambier	24	5%	23	4%	42	7%	46	7%	44	7%	46	7%	46	7%	46	7%
Hornby	32	7%	37	7%	41	7%	51	8%	42	7%	48	8%	51	8%	51	8%
Lasqueti	7	2%	7	1%	6	1%	6	1%	5	1%	5	1%	6	1%	6	1%
Mayne	20	5%	20	4%	26	4%	34	5%	25	4%	31	5%	34	5%	34	5%
North Pender	62	14%	70	13%	72	12%	78	12%	69	11%	75	12%	78	12%	79	12%
Saturna	4	1%	3	1%	2	0%	2	0%	2	0%	2	0%	2	0%	2	0%
South Pender	5	1%	6	1%	7	1%	4	1%	7	1%	3	0%	4	1%	4	1%
Salt Spring	158	36%	217	40%	251	41%	261	40%	260	43%	264	42%	261	40%	261	40%
Thetis	5	1%	6	1%	7	1%	7	1%	6	1%	6	1%	7	1%	7	1%
TOTAL	438	100%	543	100%	605	100%	651	100%	605	100%	631	100%	651	100%	652	100%

*2023 Q3 refers to the time that passed between the beginning of Q3 and September 01, 2023

Open Files in 2023



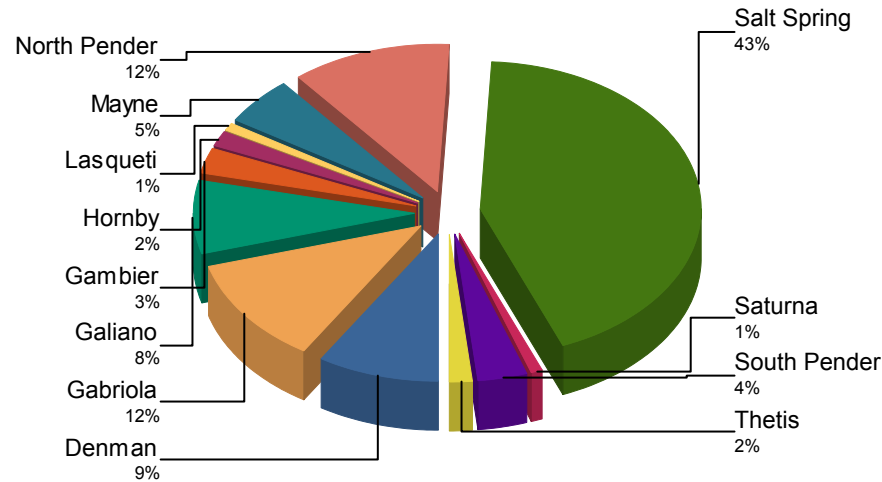


Bylaw Enforcement - Closed Files as of September 01, 2023

Local Trust Area	2020		2021		2022		2023		2022 Q4		2023 Q1		2023 Q2		2023 Q3*	
	Closed	%	Closed	%	Closed	%	Closed	%	Closed	%	Closed	%	Closed	%	Closed	%
Denman	6	4%	10	5%	1	1%	10	9%	0	0%	7	14%	9	13%	0	0%
Gabriola	29	20%	27	12%	32	24%	13	12%	0	0%	1	2%	8	12%	6	30%
Galiano	14	9%	26	12%	9	7%	9	8%	7	20%	7	14%	2	3%	1	5%
Gambier	6	4%	9	4%	1	1%	3	3%	0	0%	0	0%	3	4%	0	0%
Hornby	11	7%	7	3%	3	2%	2	2%	0	0%	0	0%	2	3%	2	10%
Lasqueti	0	0%	1	0%	1	1%	1	1%	1	3%	1	2%	0	0%	0	0%
Mayne	4	3%	10	5%	7	5%	6	5%	2	6%	4	8%	3	4%	0	0%
North Pender	17	11%	12	5%	24	18%	13	12%	14	40%	8	16%	4	6%	2	10%
Saturna	5	3%	2	1%	2	2%	1	1%	0	0%	0	0%	1	1%	0	0%
South Pender	3	2%	2	1%	0	0%	4	4%	0	0%	0	0%	4	6%	0	0%
Salt Spring	50	34%	115	52%	51	39%	48	43%	11	31%	20	41%	32	46%	9	45%
Thetis	3	2%	1	0%	1	1%	2	2%	0	0%	1	2%	1	1%	0	0%
TOTAL	148	100%	222	100%	132	100%	112	100%	35	100%	49	100%	69	100%	20	100%

*2023 Q3 refers to the time that passed between the beginning of Q3 and September 01, 2023

Closed Files in 2023



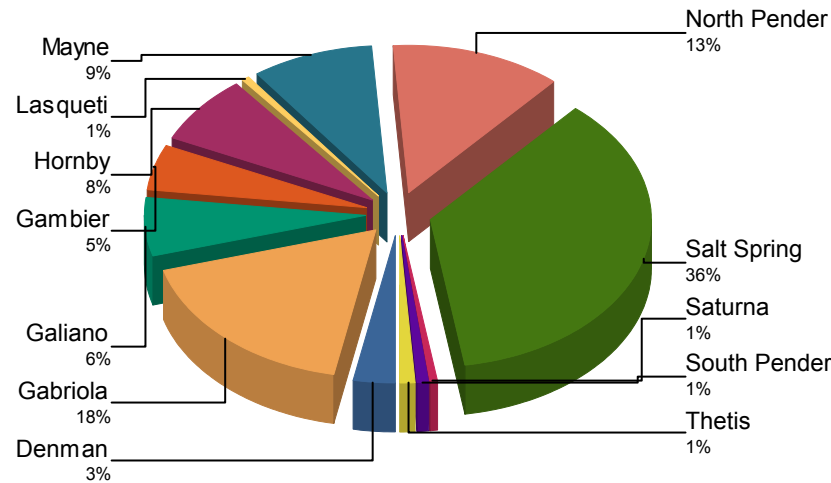


Bylaw Enforcement - New Files as of September 01, 2023

Local Trust Area	2020		2021		2022		2023		2022 Q4		2023 Q1		2023 Q2		2023 Q3*	
	New	%	New	%	New	%	New	%	New	%	New	%	New	%	New	%
Denman	12	5%	11	3%	0	0%	5	3%	0	0%	1	2%	4	4%	2	3%
Gabriola	46	18%	62	19%	27	14%	28	18%	2	4%	7	11%	23	24%	13	21%
Galiano	14	6%	23	7%	12	6%	10	6%	2	4%	2	3%	3	3%	7	11%
Gambier	10	4%	8	2%	20	10%	8	5%	10	22%	3	5%	3	3%	2	3%
Hornby	23	9%	12	4%	7	4%	12	8%	1	2%	3	5%	9	9%	4	7%
Lasqueti	1	0%	1	0%	0	0%	1	1%	0	0%	0	0%	1	1%	0	0%
Mayne	10	4%	10	3%	13	7%	14	9%	3	7%	9	14%	11	11%	2	3%
North Pender	38	15%	20	6%	26	13%	20	13%	5	11%	9	14%	10	10%	9	15%
Saturna	3	1%	1	0%	1	1%	1	1%	0	0%	0	0%	0	0%	1	2%
South Pender	7	3%	3	1%	1	1%	1	1%	1	2%	0	0%	1	1%	0	0%
Salt Spring	84	34%	176	53%	86	44%	58	36%	20	43%	30	47%	30	31%	20	33%
Thetis	1	0%	2	1%	2	1%	2	1%	2	4%	0	0%	1	1%	1	2%
TOTAL	249	100%	329	100%	195	100%	160	100%	46	100%	64	100%	96	100%	61	100%

*2023 Q3 refers to the time that passed between the beginning of Q3 and September 01, 2023

New Files in 2023





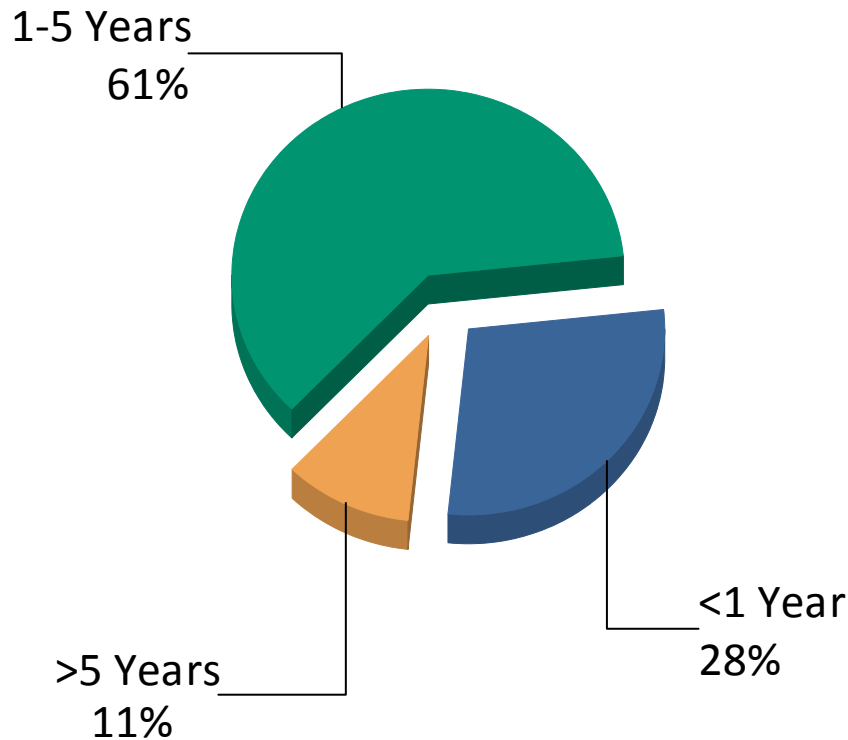
Bylaw Enforcement Open Files by ContraventionType as of September 01, 2023

	Contravention Type												
	LTC	Development Permit	Foreshore	Home Occupation	Siting	Soil Bylaw	STVR	Unenclosed Vehicle	Non-Permitted Dwelling	Density	Other Land Use	TOTALS	Percentage
Denman	3	2	0	5			6	0	0	0	0	16	2%
Ballenas-Winchelsea	0	0	0	0			0	0	0	0	0	0	0%
Gabriola	5	4	1	17			18	15	23	0	11	94	14%
Galiano	10	0	0	12			13	0	9	1	7	52	8%
Gambier	3	5	2	31			1	1	1	0	2	46	7%
Hornby	1	0	3	11			15	0	11	1	9	51	8%
Lasqueti		0	0	0			0		1	1	4	6	1%
Mayne	0	1	1	5			9		4	0	11	34	5%
North Pender	15	3	4	2			14	15	18	0	8	79	12%
Salt Spring	27	3	6	18	7		129	3	37	2	29	261	40%
Saturna	0	0	0	0			0	0	1	0	1	2	0%
South Pender	0	0	0	1			0	1	0	0	2	4	1%
Thetis		1	0	2			1	0	1	0	2	7	1%
TOTAL	64	19	17	104	7		206	38	106	5	86	652	100%
Percentage	10%	3%	3%	16%	1%		32%	6%	16%	1%	13%	100%	



Local Trust Area	<1 Year	1-5 Years	>5 Years	Total
Denman	4	6	6	16
Ballenas-Winchelsea	0	0	0	0
Gabriola	28	62	4	94
Galiano	11	29	12	52
Gambier	16	23	7	46
Hornby	15	26	10	51
Lasqueti	1	3	2	6
Mayne	17	15	2	34
North Pender	23	51	5	79
Salt Spring	64	177	20	261
Saturna	1	1	0	2
South Pender	2	2	0	4
Thetis	3	3	1	7
TOTAL	185	398	69	652
Percentage %	28%	61%	11%	

Age of File



1. GENERAL & FINANCIAL PLANNING COMMITTEE

In support of the Financial Planning Committee (FPC) we have completed work on the following standard annual areas of work:

- ~ **2022/23 Financial Statement Audit:** We have completed the financial statement audits for the Islands Trust and the Islands Trust Conservancy, with a clean audit report issued by KPMG LLP on both sets of financial statements. There was additional work this year to implement two new accounting standards related to asset retirement obligations and financial instruments, as required by Canadian Public Sector Accounting Standards.
- ~ **2022/23 Allocated Financial Statements:** The allocated financial statements present the fiscal 2022/23 financial information by Local Trust Area (LTA), allocating revenues and expenses to each jurisdiction to provide an estimate of resource use and contribution by each LTA. These statements have historically been presented three months after the audited financial statements, however staff have moved the timeline to align with release of the audited financial statements. We will aim for this approach in future years where possible.
- ~ **2022/23 Statement of Financial Information:** The SOFI is complete and has been reviewed by FPC and forwarded to Trust Council for their approval. This is a legislated report that will be submitted to the Minister in accordance with the Financial Information Act. The report provides supplementary information to the audited financial statements related primarily to annual expenses.
- ~ **2022/23 First Quarter Financial Report:** We have completed the June 30, 2023 first quarter financial report which tracks actual financial performance against budget for the first three months of the fiscal year. This report showed that overall Islands Trust is spending largely as expected, at 23% of budget spent in the first quarter.
- ~ **2024/25 Draft Budget Assumptions, Principles, Guidelines:** FPC has drafted their proposed 2024/25 budget assumptions and principles for Trust Council's review and approval. Discussion of including Council-directed guidelines for the upcoming budget year is underway, which will provide FPC with guideposts as they draft the 2024/25 budget for Trust Council's review and approval.

Additional work underway with FPC:

- ~ Upcoming planned review of Trust Council financial policies by FPC will include: [Policy 6.5.1 – Reserves and Surplus](#) and [Policy 7.2.1 Trustee Remuneration](#).
- ~ Continued work on the draft corporate planning process at the request of the Governance Committee.
- ~ Investigation of options to pursue legislative changes that would permit revised distribution of special property tax requisitions within a single local trust area (LTA).
- ~ Investigation of options for recovering costs associated with building permit reviews.

2. FINANCE

In addition to day-to-day operations associated with financial functions at Islands Trust, the Finance team is focused on work associated with the draft 2024/25 budget development. Staff support the development of the draft budget by updating department templates for management's input, reviewing current costs for operating items such as office

leases, internet, hydro, etc., and updating estimates for next fiscal year accordingly. Any known or anticipated changes in legislation, Trust policies, or spending trends will be examined to inform budget estimates.

Finance is involved in and supporting two specifically funded 2023/24 projects:

1. **CityView Implementation:** This new software system will allow for electronic payment of application fees by applicants. Finance staff are working with Information Services to evaluate and select a payment processing system that will integrate seamlessly into the Trust's accounting and other financial systems, as well as maintain key financial and reporting controls throughout the process. System evaluation phase has now concluded and a system has been selected. Staff will now look to the integration process with both Islands Trust's CityView and the Islands Trust Conservancy website. Finance staff are also contributing to the workflow development for the system, to ensure the needs of finance are met in the new process that is developed, including key reporting needs.
2. **Expense Claim Upgrades:** This project will bring the Islands Trust expense claim system to a supported platform and will modernise the expense claim process to be fully electronic. External contractors will be completing this work, with staff providing a needs assessment (complete), a desired workflow that supports internal processes (complete), and contributing to design features of the platform. Project planning is complete and a kick off meeting has been held with the contractors who are developing the system. They will begin their work in the new calendar year, with full platform deployment and training for both staff and trustees anticipated near the end of the fiscal year.

Finance continues to dedicate time to the orientation and training of new staff on financial processes relevant to their work at the Trust, such as submission of electronic expense claims, travel policies, and procurement practices. Staff have also taken on the responsibility for training planning staff on proper use of the Trust's time tracking system to facilitate better use of the platform to generate more reliable, accurate, and complete data.

Since our last report Islands Trust staff has undertaken the following procurement processes:

- ~ Invitation to Quote: Dell PowerEdge Server Replacement, closed July 13, 2023.

3. EMPLOYEE SERVICES/HUMAN RESOURCES (HR)

We have completed several hiring actions and internal position updates over the last quarter, resulting in the following changes to the Islands Trust team:

- ~ Barb Dashwood, current "As and When" Administrative Assistant for the Victoria office is taking on an additional "As and When" position as GIS Technician. Barb started this role July 24, 2023 and we appreciate the wealth of experience she brings to the position.
- ~ Charly Caproff, former Planning Technician/Acting Planner 1 for the southern planning team has moved into a permanent Planner 1 position with the Salt Spring Island team effective July 17, 2023.
- ~ Bruce Belcher became permanent in the Planning Technician role effective July 24, 2023. Shortly after, he accepted a temporary assignment as Acting Planner 1 for the southern planning team for a five-month term beginning July 31, 2023. Gillian Nicol, Program Coordinator will be backfilling the Planning Technician role for a four-month term effective September 11, 2023. Mike Richards will be taking on the work of the Program Coordinator on a part-time basis alongside his regular part-time Grants Manager role during this time.
- ~ Chloe Cookson, Planning Services Administrative Assistant left the organization on August 25, 2023 to pursue a Master's degree in Creative Writing at the University of East Anglia in Norwich, UK.

- ~ Mary Storzer joined the Trust Area Services team as Acting Senior Policy Advisor on July 12, 2023 for a seven-month term. Mary holds a Masters of Arts (Planning) from the School of Community and Regional Planning from the University of British Columbia (UBC) as well as a Bachelor of Education from the University of Victoria and Bachelor of Arts from UBC. Mary will be working on the Policy Statement Amendment Project.
- ~ Dilani Hippola, Senior Policy Advisor, resigned from her position effective August 27, 2023. Her work on the Policy Statement Amendment project was a highlight of her time in the role with Islands Trust. We wish Dilani well as she moves on to new endeavours!
- ~ Eve Ruth, Conservation and GIS Technician Co-op student for the Islands Trust Conservancy completed her term with us on August 18, 2023. Thank you Eve for your contributions while you were with us!
- ~ Ian Cox, former northern team planner has returned to Islands Trust on a seven-month temporary assignment effective August 28, 2023. We are pleased to have Ian return to the fold, bringing his former Trust experience as well as new insights from his time with the Agricultural Land Commission.
- ~ Jennifer Baddeley, Office Administrative Assistant for the Salt Spring Island office accepted a new job with Emergency Management & Climate Readiness BC as a Correspondence Coordinator. Her last day with the Trust was July 14, 2023. We wish Jen well in her role!
- ~ Jess Jack joined the Salt Spring Island team as Office Administrative Assistant on September 5, 2023. Jess has studied Horticulture Plant Sciences at the UBC, and brings excellent customer support experience from her time working in the technology industry. She has recently relocated to Salt Spring Island from Vancouver, B.C.
- ~ Kalyaan Selvakumar will join Islands Trust as the Salt Spring Island office Planning Team Assistant effective September 18, 2023. Kalyaan holds a post baccalaureate diploma in Tourism Destination Development including Land Use Management and Student Leadership Program from Thompson Rivers University, and brings years of customer service experience with him to his new role.
- ~ Mark van Bakel, Senior Tech Analyst has accepted a new position as the City of Victoria's Information Manager after 16 years with Islands Trust. His last day was September 6, 2023. We wish Mark well in his new career adventure!
- ~ Taryn Plater, co-op student for the northern office finished her term with the Islands Trust on August 25, 2023.
- ~ Wendy Tyrrell, Species at Risk Coordinator with the Islands Trust Conservancy has accepted a new job with the Salt Spring Island Conservancy as Conservation Director. Wendy's last day is September 15, 2023. We will miss you Wendy!
- ~ Zhiming Sun, Freshwater Sustainability Technologist co-op student will be starting with the Islands Trust for a 16-week term on September 11, 2023.
- ~ Robyn Kefi joined the Trust Area Services team as Senior Intergovernmental Relations Advisor effective July 17, 2023. Robyn has a PhD in Indigenous Governance from the University of Victoria, and a Masters in Resource and Environmental Management from Simon Fraser University. She has former experience working for the Ts'elxwéyeqw Tribe and Stó:lō Tribal Council as a researcher and policy advisor, and teaching in the Indigenous

Studies programs at the University of Victoria and the University of the Fraser Valley. After a long vacancy in this role, we are excited to welcome Robyn to the Trust!

We are currently in the process of hiring for several vacant, soon-to-be-vacant, and/or new positions:

- ~ LTC Meeting Administrator: This new position has recently been classified and will be posted soon.
- ~ Administrative Coordinator: The Public Service Agency is currently reviewing this new position for classification determination.
- ~ Manager, Finance and Accounting: This new position is drafted for public posting with the Public Service Agency.
- ~ Administrative Assistant (Southern team): This hiring process is currently in the interview stage. We hope to have an offer made to a suitable candidate soon.
- ~ ITC Strategic Fund Development Specialist: This hiring process is currently in the resume screening stage.
- ~ ITC Species at Risk Coordinator: This position is current being prepared to post.
- ~ Senior Tech Analyst (aka: IS Manager): The job profile for this role is currently being reviewed and updated, with subsequent recruitment to follow.

Our June All Staff Meeting took place on beautiful Gabriola Island. Staff appreciated the opportunity to tour the Elder Cedar Nature Reserve and the Malaspina Galleries. Russ Hotsenpiller, CAO provided staff with updates on Trust Council work, staff arrivals and departures, and presented awards and recognition for the previous quarter. Clare Frater, Director of Trust Area Services provided a training session on the new Islands Trust Identity Guide.

INFORMATION SERVICES (IS)

Information Services continues to maintain base level technology services and support to staff and trustees as part of ongoing operations. Specific work completed with the help of third party technical support over the last quarter includes:

- ~ Upgraded primary Trust Council meeting camera to facilitate smoother, more efficient transitions between speakers for virtual viewers and recordings.
- ~ Completed transition from Windows 10 to 11 for work-from-home devices.
- ~ Completed procurement via Invitation to Quote for three physical server replacements, one for each staff office.
- ~ Completed installation of the new Victoria office server, and an upgrade to the VM (virtual server) management platform.
- ~ Scheduled upgrades of Salt Spring Island and Gabriola Island officer servers for later in the year.

Continued focus is being directed towards the following operational initiatives:

- ~ Upgrading the Trust's SQL database to version 2022.
- ~ Ongoing virtual server operating system upgrades from Windows 2016 to 2019/2022
- ~ Enhancements of internal Trust applications, to improve reporting capability and add new features that improve user experience.
- ~ Ongoing development of internal and external web map replacements to replace the end-of-life Mapit and TAPIS Map. These replacements will provide enhanced functionality and usability for both internal and external users.

Information services staff are heavily involved in two specifically funded 2023/24 projects:

1. CityView Implementation: The CityView implementation project funded by the LG Development Application Approvals grant program is underway. Currently this project is in the review and documentation phase associated with CityView system workflows, to ensure the system setup will meet the needs of Islands Trust staff and external users. This project has an expected completion date of December 15, 2023, extended from original timelines.
2. Expense Claim Upgrades: As described in the finance section of this report.

Financial Planning Committee

1. <i>Annual Financial Statements & Audits: Islands Trust and Islands Trust Conservancy</i>	Responsible	Dates
<ul style="list-style-type: none"> ·Audit planning with the appointed auditors, KPMG LLP - Complete ·Audit Committee meeting with KPMG on February 14, 2023 - Complete ·Preparation of Islands Trust and Islands Trust Conservancy financial statements and audit packages - Underway ·Audit fieldwork scheduled for July 2023 - Upcoming ·Audit Committee meeting in August 2023 with KPMG LLP to present audit findings - Upcoming 	Julia Mobbs Kate Emmings Nancy Rogers	Rec'd: 08-Mar-2023 Target: 27-Sep-2023
2. <i>Corporate Planning Process</i>	Responsible	Dates
Refine and complete the draft corporate planning process for Governance Committee review and ultimate Trust Council approval.	Russ Hotsenpiller	Rec'd: 31-May-2023 Target: 30-Aug-2023
3. <i>Draft Budget Assumptions, Principles, Guidelines</i>	Responsible	Dates
Draft Budget 2024/25 Assumptions, Principles, Guidelines for Trust Council's review and approval.	Julia Mobbs	Rec'd: 28-Jun-2023 Target: 27-Sep-2023
4. <i>Financial Policy Review</i>	Responsible	Dates
Continued review of select Trust Council financial policies based on feedback from initial	Julia Mobbs	Rec'd: 16-Feb-2022 Target: 27-Sep-2023

Financial Planning Committee

reviews performed by the outgoing FPC :

- 6.3.2 Special Property Tax Requisitions (TC directed)
 - 6.5.2 Budget Control and Adjustment Authority (EC directed)
 - 7.2.1 Trustee Remuneration (FPC directed)
-

Financial Planning Committee

1. Budget 2024/25: Draft 1 Review

Review Draft 1, version 1 of the 2024/25 budget on October 18, 2023
 Review Draft 1, version 2 of the 2024/25 budget on November 8, 2023

Responsible

Julia Mobbs

Dates

Rec'd: 01-Jun-2023
 Target: 06-Dec-2023

2. Budget 2024/25 Public Consultation: Planning

Discussion of the Public Consultation plan begins at FPC's August meeting each year.
 Review of planned consultation materials and engagement platforms will continue at FPC's January meeting prior to consultation initiation that same month.

Responsible

Clare Frater

Dates

Rec'd: 01-Jun-2023
 Target: 01-Jan-2024

3. Corporate Planning Process

Refine and complete the draft corporate planning process for Governance Committee review and ultimate Trust Council approval.

Responsible

Russ Hotsenpiller

Dates

Rec'd: 31-May-2023
 Target: 06-Dec-2023

4. Financial Policy Review

Continued review of select Trust Council financial policies based on feedback from initial reviews performed by the outgoing FPC :

- 6.3.2 Special Property Tax Requisitions (TC directed)
- 6.5.2 Budget Control and Adjustment Authority (EC directed)

Responsible

Julia Mobbs

Dates

Rec'd: 16-Feb-2022
 Target: 29-May-2024



Active Projects Report

Financial Planning Committee

·7.2.1 Trustee Remuneration (FPC directed)



REQUEST FOR DECISION

To: Trust Council

For the Meeting of: September 26 2023

From: Financial Planning Committee

Date Prepared: September 1, 2023

SUBJECT: JUNE 30, 2023 FINANCIAL REPORT

RECOMMENDATION:

That Trust Council approve the June 30, 2023 financial report.

CHIEF ADMINISTRATIVE OFFICER COMMENTS:

The first quarter financial report indicates that Islands Trust is generally following the financial plan for 2023/24.

1 PURPOSE:

To summarize the findings of the June 30, 2023 first 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 revenue sources and operational expenditures after three months of operations can be estimated at 25% of the annual budget.

As at June 30, 2023 Islands Trust has consumed a net 23% of the annual approved budget which is slightly below 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 25% benchmark set (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 is lower than the benchmark by \$1,930,000 (21%) due to the following:

- ~ *Provincial Grant - Unrestricted* is higher than benchmark budget by \$135,000 (75%) due the full value of the unrestricted operating grant received in Q1.

- ~ *Federal and Provincial Grants – Restricted* is lower than the benchmark by \$21,000 (5%) due to projects funded by these dollars (ITC Species at Risk, Local Government Development Approvals Program and Regional Freshwater Management Healthy Watershed Initiative) taking time to ramp up in the first quarter of the fiscal year.

- ~ All revenues from taxation (*General Property Tax Levy, Special Property Tax Requisition, and Bowen Tax Levy*) report at less than benchmark as levies are received in Q2 in accordance with customary timelines.
- ~ *Investment Income* was higher than the benchmark by \$7,000 (5%) due to high interest rates. Investment revenue is expected to increase as property tax funds are received in July 2023 and invested.

Expenses by Service Area

Council Services

Council 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 \$363,000 (23% of budget) which is lower than the 25% benchmark by \$28,000 (2%).

No individual line items within Council services deviate significantly from benchmark; however, items worthy of note include the following:

- ~ Trust Council spending is \$15,000 (4%) above benchmark due primarily to higher than anticipated costs for new Chair training and related travel, and higher legal advisory costs related to topics raised by delegations to Trust Council.
- ~ Executive Committee spending is \$7,600 (6%) below benchmark due primarily to requests for application fee sponsorships not yet received.
- ~ Trust Area Services spending is \$32,000 (5%) below benchmark due primarily to vacancies in the roles of Senior Indigenous Relations Advisor, Senior Policy Advisor, and Administrative Coordinator. These vacancies contribute to delays in related work including the Policy Statement Amendment Project and advancement of the Reconciliation Action Plan. Spending on funded stewardship education programs are planned for and expected to occur later in the year.

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; and bylaw enforcement; as well as an allocation of general administrative expenses. Inclusive of the general admin allocation, these expenses report at \$1.5M (23% of budget) which is lower than benchmark by 173,000 (2%). 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 June 30, 2023 is \$237,000 (29% of budget), higher than benchmark by \$34,000 (4%), due to the following:

- ~ Legal costs incurred were higher than planned due to advancement on two contempt proceedings. Of note is that Islands Trust has been awarded legal costs for these proceedings, which will see costs recovered in future quarters. High activity related to legal actions formerly placed on hold due to prior year cost constraints also contributed to the higher than anticipated spending in this fiscal quarter one, as well as the procurement of two unanticipated legal opinions for LTCs.

- ~ Travel costs for Executive Committee members to chair LTC meetings reports at almost double the total annual budget at the end of the quarter one. This is due to the unanticipated extra accommodation costs incurred by EC members to attend meetings in-person, which is a product of EC members resident location, the LTCs they chair, and related ferry restrictions, particularly for Lasqueti Island members.
- **Planning Projects** costs are comprised of all LTC and Regional Planning Committee projects, including the regional freshwater management project, housing strategy, groundwater recharge mapping, work associated with the Local Government Development Approvals program, and as well as the coordination of the Salt Spring Island Watershed Protection Alliances (SSIWPA). Planning projects report at \$27,000 (5% of budget), which is less than benchmark by 108,000 (20%). This underspending is due primarily to a combination of the following:
 - ~ *Underspending on LTC Projects* (\$68,000 from benchmark): This is due primarily to LTCs taking time to discuss and approval approaches to First Nations engagement on their projects, as well as some delays assigning work to specific staff.
 - ~ *No spending on Salt Spring Island Water Protection Authority (SSIWPA) Coordination*: Progress on this work has not been made, as the SSI LTC has not yet determined next steps related to this initiative.
 - ~ *Underspending on the Local Government Development Approvals Program (LGDAP)* (\$135,000 from benchmark): Delays in this project are primarily a result of contractor time constraints due to the contractor supporting most BC local governments who have received funding under this program. This project still remains to be completed in the current fiscal year.
 - ~ *No spending on Housing Strategy work*: This work was furthered in quarter two, with a housing gap-assessment completed with further analysis and communications planned for quarter three.
- **Planning Staff** costs include employee salaries, benefits, training and travel costs, as well as any contracted human resources associated with planning work. Spending to June 30, 2023 reports at \$703,000, (22% of budget) which is below benchmark by 108,000 (3%). This is due to vacancies in the following staff positions:
 - ~ LTC Meeting Administrator – one month vacancy (\$5,300)
 - ~ Northern Office Island Planner – full quarter one vacancy (\$24,000)
 - ~ Salt Spring Island Planning Team Assistant – full quarter one vacancy (\$13,000)
 - ~ Northern Office Island Planner working less than full time for 3 months (\$11,000)
 - ~ Senior Indigenous Relations Advisor (portion) – full quarter one vacancy (\$12,000)
 - ~ Administrative Coordinator (portion) – month vacancy (\$6,800)
 - ~ Salt Spring Island Planner 1 – 2.5 month vacancy (\$13,000)
- **Bylaw Enforcement** costs include staff salaries and benefits, training, mobile devices, and travel costs. Spending to June 30, 2023 reports at \$119,000 (29% of budget), which is higher than benchmark by \$17,000 (4%). This is due primarily to increased enforcement staff travel and overtime costs.

Islands Trust Conservancy Services

Total ITC expenses include costs related to three main areas: Board expenses; Operations expenses; and Property management expenses; as well as an allocation of administrative expenses. Inclusive of the general admin allocation, these expenses were lower than benchmark by \$17,000 (1%). Individual expense lines within ITC services that deviate from benchmark are as follows:

- ~ ITC Board costs comprised of board meeting expenses, honoraria and training for board members reports at only \$800 (9% of budget) to June 30, 2023, 16% below benchmark. This is due primarily to meetings being held electronically, and training costs not yet incurred.

- ~ Conservancy staff and associated costs include staff salaries and benefits, ITC contracted temporary staffing, memberships, subscriptions, mobile devices, training, and travel costs. This budget area reports at \$215,000 (28% of budget), higher than benchmark by \$25,000 (3%). This is due to increased staff travel and overtime associated with Species at Risk programming and fieldwork that takes place primarily in the warmer months of the year. w
- ~ Property Management costs include ITC property management expenses, ITC conservation planning and land securement expenses, First Nations engagement planning, and legal costs. Property management expenses report at \$21,415 (10% of budget), lower than benchmark by \$33,000 (15%). This is due primarily to work on management plans taking place later in the year after the warmer-season fieldwork is complete, as well as slower progression on the First Nations Engagement Plan due to high staff workloads and a vacancy in the SIRA staff position.
- ~ ITC Communications reports at \$2,500, (13% of budget), lower than benchmark by \$2,000 (12%). Work on communications will advance more readily in the remainder of the year with the now completed fulfillment and training of the new ITC Communications staff.
- ~ Eco-System Mapping reports no spending to June 30, 2023. This undertaking is scheduled for later in the year.

General Administration

Total general administrative expenditures include costs related to six main areas: Executive office; Administrative services; Office Operations; Information systems; Computer, Furniture and Equipment; and Amortization expense. General administration costs are allocated to the three service areas of the Trust (Council, LTC, and ITC) based on their relative dollar magnitudes for the period. In aggregate these expenses are reported at \$572,000 (24% of budget), which is lower than benchmark by \$28,000 (1%).

No individual expense lines within general administration deviate significantly from benchmark. However items worthy of note include the following:

- ~ Admin Services costs include all contracted human resources to backfill staffing shortages, staff salaries, benefits, training, and travel costs. These costs report at \$127,000 (21% of budget), 4% lower than benchmark primarily due to delayed hiring of the new Manager of Finance and Accounting position.
- ~ Office Operations costs include 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 \$70,000 (22% of budget) 3% below benchmark, due to specific work and related costs scheduled for later in the year such as the annual audit and winter snow removal at staff offices.
- ~ Information Systems costs include all software support and licensing, technical support, meeting streaming services, mobile devices salaries, benefits, training, and travel costs associated with information systems staff. Information Systems costs report at \$177,000 (27% of budget), 2% above benchmark. This is due to high spending on tech supplies in the first quarter of the year and high levels of external tech support used.

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, December 31, 2022 expenses by object are shown as follows:

Description	Approved Budget	30-Jun-23	% of Budget Consumed
Staff Salaries and benefits	6,229,223	1,440,617	23%
Office Operations	1,219,335	290,288	24%
Council and trustee costs	1,006,244	256,847	26%
Elections	7,000	0	0%
Programs	872,176	67,427	8%
Legal - General	70,000	37,527	54%
Legal - Bylaw Enforcement	80,000	28,088	35%
Legal - Litigation	72,356	24,837	34%
Legal - Statutory Notices	17,850	5,044	28%
Travel/training/recruitment	171,025	70,792	41%
Total *	9,745,209	2,221,467	23%
Amortization	178,000	40,760	23%
Total including Capital	9,923,209	2,262,227	23%

Staff salaries and benefits costs are less than benchmark due to staff vacancies for the Senior Indigenous relations officer, Administrative Coordinator, LTC Meeting Administrator, Manager of Accounting and Finance, Communication Specialist, Northern Office Island Planner, Salt Spring Office Planning Team Assistant, and Salt Spring Office Planner 1.

Office Operations costs are slightly below benchmark due primarily to a lack of communications spending in the first quarter of the year, whereby planned spending is geared more heavily towards the latter portion of the year.

Council and trustee costs are slightly above benchmark due to higher costs for Executive Committee travel for LTC chairing.

Elections costs are lower than the benchmark where no by-election has taken place.

Programs costs are less than the benchmark due to planning discussions taking time with the LTCs, and time taken to determine best First Nations engagement approaches for LTC projects. Projects are expected to advance in future quarters (i.e.: LGDAP, Regional Freshwater Management, SSIWPA and Housing Strategy).

Total Legal expenses for general, bylaw, litigation and statutory notices are tracking at a cumulative total of \$35,000 higher than benchmark, 40% of budget due to the advancement of two legal claims proceedings, increased bylaw enforcement legal action, and multiple legal opinions sought for LTCs.

Traveling/training and recruitment costs are above benchmark due to increased staff travel for ITC property management activities, increased travel by bylaw enforcement staff and for increase training and associated travel as almost all training is in person rather than on line as in previous years.

Amortization expense is tracking as expected.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None.

FINANCIAL: None. Expenditures to June 30, 2023 are within the overall Islands Trust annual approved budget.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: None. Managing staff at Islands Trust and Islands Trust Conservancy 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 191](#) Islands Trust Financial Plan Bylaw, 2023-2024
- 5 **ATTACHMENT(S):**
Q1 June 30, 2023 Financial Report
-

RESPONSE OPTIONS

Recommendation: That Trust Council approve the June 30, 2023 financial report.

Alternative: None.

Prepared By: Finance Officer
Reviewed By: Director, Administrative Services
Chief Administrative Officer/
FPC/Aug 30, 2023

Islands Trust
Detailed Statement of Operations
For The 3 Months Ending June 30, 2023

Expected % of Budget Received/Used as at Report date = 25%
 Exceptions: Grant revenue, property tax levies, other revenues, project spending
 Variances > +/- 10% and +/- \$5000 include explanations

Description	Approved Budget	Year to Date Actual	% of budget received/ spent
Revenue			
Fees & Sales	192,000	105,966	55%
Provincial Grant - Unrestricted	180,000	180,000	100%
Federal and Provincial Grants - Restricted	389,795	76,618	20%
General Property Tax Levy - All LTAs	8,046,025	-	0%
Special Property Tax Requisition - SSI LTA	43,500	-	0%
Municipal Property Tax Levy - Bowen Island Municipality	345,989	-	0%
Investment Income + Other Income	133,000	40,753	31%
Total Revenue	9,330,309	403,337	4%
Council Services			
Trust Council	416,300	119,007	29%
Executive Committee	125,563	23,738	19%
Trust Area Services	643,623	128,333	20%
General Admin Allocation - 16%	376,388	91,681	24%
Total Council Expenses	1,561,874	362,759	23%
Local Trust Committee Services			
Local Trust Committees	810,862	237,011	29%
Projects (NOTE 1)	539,296	26,579	5%
Planning Staff	3,169,470	702,868	22%
LPS Facilities	389,820	94,794	24%
Bylaw Enforcement	406,193	118,931	29%
General Admin Allocation - 70%	1,697,319	399,151	24%
Total Local Planning Services Expenses	7,012,960	1,579,333	23%
Islands Trust Conservancy Services			
Board	10,025	855	9%
Conservancy Staff and Associated Costs	759,784	214,647	28%
Property Management	216,480	21,415	10%
Communications	18,000	2,310	13%
Ecosystem Mapping	18,000	-	0%
General Admin Allocation - 14%	326,086	80,909	25%
Total Trust Conservancy Expenses	1,348,375	320,136	24%
General Admin			
Senior Management	485,645	122,722	25%
Admin Services	610,328	127,612	21%
Office Operations	323,880	69,911	22%
Information Systems	667,640	177,254	27%
Computer/Furniture & Equipment	134,300	33,481	25%
Amortization Expense	178,000	40,760	23%
General Admin Recovery	(2,399,793)	(571,741)	24%
Net General Admin Expenses	-	-	
Total Expenses	9,923,209	2,262,227	23%
YTD Surplus (Shortfall)	(592,900)	(1,858,891)	
Amortization Adjustment	(178,000)	n/a	
Capital adjustment	n/a	33,481	
Adjusted surplus (shortfall)	(414,900)	(1,825,409)	

Exceptions: Grant revenue, property tax levies, other revenues, project spending
 Variances > +/- 10% and +/- \$5000 include explanations

Description	Approved Budget	Year to Date Actual	% of budget received/ spent
Transfer from (to) General Revenue Surplus Fund	231,000	1,822,357	
Transfer from (to) LTC Project Reserve Fund	183,900	3,053	
Transfer from (to) Special Tax Requisition Fund	0	-	
	414,900	1,825,409	
Net Balance	-	-	

Note 1: LTC & Planning Services Project Spending

LTC Projects			
LTC Projects funded by Reserve Fund	(3,500)	-	0%
Denman Housing Review	18,000	110	1%
Denman Farming Regulations Review	2,000	-	0%
Gabriola OCP/LUB	18,000	76	0%
Gabriola Ecological Protection Zone	2,000	-	0%
Galiano Groundwater Strategy Implementation	5,000	-	0%
Gambier OCP/LUB	16,000	-	0%
Gambier Keats Island Shoreline Protection Review	4,000	1,185	30%
Hornby OCP/LUB	15,000	260	2%
Lasqueti OCP/LUB	4,000	-	0%
Mayne Island Housing	1,000	274	27%
Mayne LUB Minor Amendments	2,000	-	0%
North Pender OCP/LUB	3,000	1,392	46%
North Pender Groundwater Strategy Implementation	2,500	-	0%
North Pender Raptor Nest DPA update	5,000	-	0%
Salt Spring Bylaw Review - Procedural Updates	96,000	-	0%
Salt Spring Ganges Village Area Planning	86,500	-	0%
Salt Spring Housing Action Program	5,000	201	4%
South Pender LUB Minor Amendments	2,000	-	0%
Thetis Unzoned Marine Area LUB Amendment	2,500	-	0%
Total All LTC Projects	286,000	3,498	1%
SSIWPA Coordinator Expense	43,500	-	0%
Regional Freshwater Management	32,000	7,161	22%
Housing Strategy	30,000	-	0%
Groundwater Recharge Mapping	-	2,800	
LG Development Approvals Program	147,796	13,120	9%
Total all Project Spending	539,296	26,579	5%

- Reclassified the year-end payroll accrual from accrued liabilities to wages payable on the Statement of Financial Position. This adjustment had no impact on annual or accumulated surplus balances as it relates to presentation only.

The auditors did not identify any adjustments to the financial statements during the course of their work, and a clean audit report has been issued for Islands Trust.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None.

FINANCIAL: None.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS:

Once approved by the Islands Trust Council, the year-end audited financial statements and auditor's report will be forwarded to the Minister of Municipal Affairs as required by the *Islands Trust Act, S. 19* and made available to the public via the Islands Trust website.

FIRST NATIONS: None.

OTHER: None.

4 RELEVANT POLICY(S):

Islands Trust Council Bylaw No. 185

Islands Trust Act S. 18 requires Islands Trust to appoint an auditor to audit the accounts and transactions of the Islands Trust Council and local trust committees, and requires that the auditor report to the Islands Trust Council and to the Minister.

5 ATTACHMENT(S):

- Islands Trust March 31, 2023 Audited Financial Statements & Audit Report
-

RESPONSE OPTIONS

Recommendation: That Trust Council approve the Islands Trust audited financial statements for the year ended March 31, 2023.

Alternative: None.

Prepared By: Director, Administrative Services
Reviewed By: David Marlor, Acting CAO
Audit Committee/Aug 30, 2023

Financial Statements of

ISLANDS TRUST

Year ended March 31, 2023

ISLANDS TRUST

Financial Statements

Year ended March 31, 2023

Financial Statements

Management's Responsibility for the Financial Statements	1
Independent Auditor's Report	2
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Islands Trust (the "Trust") are the responsibility of the Trust's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting standards for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Trust's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Trust, acting through its Audit Committee, meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by Trust Council. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Trust's financial statements.

Chief Administrative Officer

Director, Administrative Services

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Islands Trust and the Minister of Municipal Affairs

Opinion

We have audited the financial statements of Islands Trust which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Islands Trust as at March 31, 2023, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Island Trust’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Islands Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Island Trust’s financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Islands Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Island Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Islands Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Victoria, Canada

_____, 2023

ISLANDS TRUST

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Financial assets:		
Cash and cash equivalents (note 2)	\$ 1,750,989	\$ 3,558,169
Accounts receivable	301,396	192,573
Investments (note 3)	2,670,862	1,202,607
	<u>4,723,247</u>	<u>4,953,349</u>
Liabilities:		
Accounts payable and accrued liabilities	737,364	900,909
Wages and benefits payable	1,397,218	1,450,243
Deferred revenue	226,282	203,591
Employee benefit obligations (note 4)	233,999	281,672
Obligations under capital leases (note 5)	43,837	18,071
Cost recovery deposits (note 13(b))	2,996	763
	<u>2,641,696</u>	<u>2,855,249</u>
Net financial assets	2,081,551	2,098,100
Non-financial assets:		
Tangible capital assets (note 6)	237,000	286,953
Prepaid expenses	208,318	178,779
	<u>445,318</u>	<u>465,732</u>
Commitments (note 11)		
Contingent liabilities (note 12)		
Accumulated surplus (note 7)	<u>\$ 2,526,869</u>	<u>\$ 2,563,832</u>

The accompanying notes are an integral part of these financial statements.

Approved by the Trust Council:

Peter Luckham, Trust Council Chair

Joe Bernardo, Audit Committee Chair

ISLANDS TRUST

Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	Budget (note 9)	2023	2022
Revenue:			
Property tax - general	\$ 7,309,863	\$ 7,309,863	\$ 7,079,772
Property tax levy - Bowen Island municipality	323,769	323,769	311,188
Property tax - special requisition	60,000	60,000	75,500
Government transfers (note 8)	760,500	711,724	690,627
Fees and sales	264,724	199,570	117,488
Interest income	20,001	168,943	11,914
Other income	-	450	33,779
Total revenue	8,738,857	8,774,319	8,320,268
Expenses (note 10):			
Council services	1,529,806	1,524,852	1,373,658
Local trust committee services	6,635,424	6,111,543	6,176,850
Trust conservancy services (note 13)	1,137,127	1,174,887	1,133,771
Total expenses	9,302,357	8,811,282	8,684,279
Annual deficit	(563,500)	(36,963)	(364,011)
Accumulated surplus, beginning of year	2,563,832	2,563,832	2,927,843
Accumulated surplus, end of year	\$ 2,000,332	\$ 2,526,869	\$ 2,563,832

The accompanying notes are an integral part of these financial statements.

ISLANDS TRUST

Statement of Change in Net Financial Assets

Year ended March 31, 2023, with comparative information for 2022

	Budget (note 9)	2023	2022
Annual deficit	\$ (485,800)	\$ (36,963)	\$ (364,011)
Acquisition of tangible capital assets	(77,700)	(83,248)	(66,514)
Acquisition of leased tangible capital assets	-	(44,136)	-
Amortization of tangible capital assets	168,000	172,246	182,751
Loss on disposal of capital assets	-	5,091	-
	(395,500)	12,990	(247,774)
Acquisition of prepaid expenses	-	(29,539)	(12,860)
Change in net financial assets	(395,500)	(16,549)	(260,634)
Net financial assets, beginning of year	2,098,100	2,098,100	2,358,734
Net financial assets, end of year	\$ 1,702,600	\$ 2,081,551	\$ 2,098,100

The accompanying notes are an integral part of these financial statements.

ISLANDS TRUST

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (36,963)	\$ (364,011)
Items not involving cash:		
Amortization of tangible capital assets	172,246	182,751
Loss (gain) on disposal of tangible capital assets	5,091	-
Extinguishing of obligations under capital lease	(5,712)	-
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(108,823)	15,473
Wages and benefits payable	(149,938)	31,569
Accounts payable and accrued liabilities	(66,632)	124,866
Deferred revenue	22,691	44,447
Employee benefit obligations	(47,673)	30,323
Cost recovery deposits	2,233	(18,527)
Prepaid expenses	(29,539)	(12,860)
Net change in cash from operating activities	(243,019)	34,031
Capital activities:		
Acquisition of tangible capital assets	(83,248)	(66,514)
Investing activities:		
Purchase of investments	(1,468,255)	(1,202,607)
Financing activities:		
Principal payments on obligations under capital leases	(12,658)	(13,484)
Change in cash and cash equivalents	(1,807,180)	(1,248,574)
Cash and cash equivalents, beginning of year	3,558,169	4,806,743
Cash and cash equivalents, end of year	\$ 1,750,989	\$ 3,558,169
Supplemental cash flow information:		
Assets acquired under capital lease	\$ (44,136)	\$ -

The accompanying notes are an integral part of these financial statements.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

Islands Trust (the “Trust”) is incorporated under the Islands Trust Act of British Columbia (as amended). The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

1. Significant accounting policies:

The financial statements of Islands Trust are prepared by management in accordance with Canadian public sector accounting principles for local governments as recommended by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Trust are as follows:

(a) Reporting entity:

The financial statements include a combination of all the assets, liabilities, revenues, expenses, and changes in fund balances and in financial position of the trust council and the local trust committees.

The Trust occasionally conducts work on behalf of development applicants on a cost-recovery basis. These trust activities are not included in the financial statements.

(i) Consolidated entities:

The Trust does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

(ii) Funds held in trust:

The Trust administers operations of The Islands Trust Conservancy. The annual expenses of The Islands Trust Conservancy are reported by the Trust in accordance with The Islands Trust Act (note 13).

(b) Basis of accounting:

The Trust follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(c) Revenue recognition:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability under section PS 3200 of public sector accounting standards.

Revenue unearned in the current period is recorded as deposits or deferred revenue.

Tax revenue is recognized on an accrual basis.

(d) Financial instruments:

A contract establishing a financial instrument creates, at its inception, rights and obligations to receive or deliver economic benefits. The financial assets and financial liabilities portray these rights and obligations in the financial statements. The Trust recognizes a financial instrument when it becomes a party to a financial instrument contract.

Financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities and wages and benefits payable.

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. In the years presented, there are no unrealized gains or losses and as a result no statement of remeasurement gains or losses has been included.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(e) Cash and cash equivalents:

Cash and cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

(f) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on restricted funds is added to the investment and forms part of the deferred revenue balance.

(g) Employee future benefits:

The Trust and its employees make contributions to the Public Service Pension Plan, which provides benefits directly to employees upon retirement. These contributions are expensed as incurred.

A gratuity is also available to employees upon retirement. The cost of this benefit is paid by the Public Service Pension Plan.

(h) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

As of March 31, 2023 no asset retirement obligations have been identified for the Trust and as such no liability has been recognized.

(i) Liability for contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Trust is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(i) Liability for contaminated sites (continued):

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(j) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Furniture and equipment	5
Computers	3
Leasehold improvements	lesser of remaining term of the lease and useful life

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Trust's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset.

The Islands Trust is fortunate to have, and to be mandated to protect, many natural assets in the Trust Area that reduce the need for engineered infrastructure that might otherwise be required by other government agencies to provide various services to the islands. This includes island aquifers (water storage and filtration); streams, ditches and wetlands (rain water management); forests (carbon sequestration); and foreshore areas (natural seawalls). Canadian public sector accounting standards do not provide for the valuation and recording of such assets in the financial statements. As such, these natural assets are not reported in these financial statements. Nevertheless, the Trust acknowledges the importance of these assets and the need to manage them in conjunction with engineered infrastructure that is managed by other government agencies.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Works of art and historical treasures:

Works of art and historical treasures are not recorded as assets in these financial statements.

(iv) Interest capitalization:

The Trust does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(v) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(k) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates include assumptions used in estimating provisions for accrued liabilities, fair value of financial instruments and asset retirement obligations. Actual results could differ from these estimates.

(l) Change in accounting policies:

On April 1, 2022 the Trust adopted Canadian public sector accounting standard PS 3280 *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in buildings by public sector entities. The standard was adopted on a prospective basis at the date of adoption resulting in no changes to accumulated surplus or annual surplus for comparative years presented. No asset retirement obligations were recognized by the Trust as a result of implementation of this new standard.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(l) Change in accounting policies (continued):

On April 1, 2022 the Trust adopted Canadian public sector accounting standards PS 3450 *Financial Instruments* and PS 2601 *Foreign Currency Translation*. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions. All financial instruments are included on the statement of financial position and are measured at amortized cost. There were no adjustments to accumulated surplus at April 1, 2022 or financial assets and liabilities for the year ended March 31, 2023 as a result of the adoption of PS 2601 and PS3450.

2. Cash and cash equivalents:

	2023	2022
Bank account balances	\$ 1,750,989	\$ 1,962,503
Short-term GICs	-	1,595,666
	<u>\$ 1,750,989</u>	<u>\$ 3,558,169</u>

3. Investments:

At March 31, 2023, investments consisted of guaranteed investment certificates with a cost plus accrued interest that approximated market value. The stated interest rates ranged from 4.35% to 5.05% with maturity dates ranging from September 2023 to February 2024.

4. Employee benefit obligations:

	2023	2022
Vacation pay	\$ 177,343	\$ 230,882
Compensatory time off	56,656	50,790
	<u>\$ 233,999</u>	<u>\$ 281,672</u>

Vacation pay and compensatory time off represent the liability for accumulated banks for draw down at future dates and/or for payout on approved retirement, or upon termination or death.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

4. Employee benefit obligations (continued):

Other pension plans:

The Trust and its employees contribute to the Public Service Pension Plan (a jointly trustee pension plan). The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at March 31, 2022, the plan has about 68,000 active members and approximately 54,000 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The latest actuarial valuation as at March 31, 2020, indicated a funding surplus of \$2,667 million for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2023 with results available later in 2023. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Trust paid \$365,419 (2022 - \$382,903) for employer contributions to the plan in fiscal 2023.

5. Obligations under capital leases:

The amounts due for obligations under capital leases are as follows:

2024	\$ 11,356
2025	11,008
2026	9,804
2027	9,804
2028	11,141
2029	1,872
<hr/>	
Total minimum lease payments	54,985
Less amounts representing interest (at rates ranging from 4.70% to 8.45%)	11,148
<hr/>	
Present value of net minimum capital lease payments	\$ 43,837

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

5. Obligations under capital leases (continued):

Interest of \$2,204 (2022 - \$1,962) relating to capital lease obligations has been included in expenses on the statement of operations.

6. Tangible capital assets:

	Denman Island Site	Furniture and equipment	Computers	Leasehold improvements	Total 2023	Total 2022
Cost:						
Balance, beginning of year	\$ 10,000	\$ 249,026	\$ 315,869	\$ 386,975	\$ 961,870	\$ 998,787
Additions	-	46,460	80,924	-	127,384	66,514
Disposals	-	(155,036)	-	-	(155,036)	(103,431)
Balance, end of year	10,000	140,450	396,793	386,975	934,218	961,870
Accumulated amortization:						
Balance, beginning of year	10,000	212,131	221,828	230,958	674,917	595,597
Additions	-	24,107	72,389	75,750	172,246	182,751
Disposals	-	(149,945)	-	-	(149,945)	(103,431)
Balance, end of year	10,000	86,293	294,217	306,708	697,218	674,917
Net book value, end of year	\$ -	\$ 54,157	\$ 102,576	\$ 80,267	\$ 237,000	\$ 286,953

Contributed tangible capital assets:

There were no contributed assets received during 2023 or 2022.

In fiscal 1994, the Denman Island Ratepayers' Association donated \$10,000 which was used by the Trust to purchase the Denman Island Old School Site from School District #71. The Trust agreed to facilitate the sale of the school site between School District #71 and the Ratepayers' Association and to hold title to the property on behalf of the community. The Denman Island Ratepayers' Association has leased the building on the site from the Trust for 99 years for a total fee of \$10.

Included in tangible capital assets is assets under capital leases with a net book value of \$43,837 (2022 - \$18,071).

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

7. Accumulated surplus:

Accumulated surplus consists of:

	2023	2022
Invested in tangible capital assets	\$ 193,163	\$ 268,882
General Revenue Fund	2,190,140	2,091,376
Local Trust Committee Project Specific Reserve Fund	102,751	105,867
Special property tax requisition fund	40,815	97,707
	<u>\$ 2,526,869</u>	<u>\$ 2,563,832</u>

8. Government transfers:

Government transfers recorded as revenue on the statement of operations are comprised of:

	2023	2022
Provincial operating grant	\$ 228,000	\$ 180,000
Provincial restricted grant	49,246	248,618
Federal restricted grant	238,500	242,500
Transportation Canada	2,121	-
Other	193,857	19,509
	<u>\$ 711,724</u>	<u>\$ 690,627</u>

9. Budget data:

The budget data presented in these financial statements is based upon the 2023 operating budget approved by Trust Council on April 20, 2022. The following reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Operating budget:	
Revenue	\$ 9,134,357
Less appropriation from surplus	395,500
	<u>8,738,857</u>
Expenses	9,134,357
Plus amortization expense	168,000
	<u>9,302,357</u>
Annual deficit	<u>\$ (563,500)</u>

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

10. Classification of expenses by object:

	2023	2022
Staff salaries and benefits	\$ 5,221,815	\$ 5,342,092
Traveling/training and recruitment	155,198	68,321
Council and trustee costs	907,609	798,765
Elections	157,631	-
Office operations	997,722	1,001,408
Programs	835,059	1,035,255
Legal	358,911	255,687
Amortization	172,246	182,751
Loss on disposal of assets	5,091	-
	<hr/>	<hr/>
	\$ 8,811,282	\$ 8,684,279

11. Commitments:

The Trust is committed to leases for rented premises. Minimum future payments in the next five years are as follows:

2024	\$ 331,601
2025	143,933
2026	-
2027	-
2028	-

12. Contingent liabilities:

In the normal course of operations, claims for alleged damages are made against the Trust. The Trust records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. The Trust is covered through an independent insurance program against certain claims.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

13. Trust activities:

(a) Trust Conservancy:

The Trust pays the administration expenses of The Islands Trust Conservancy (the "Conservancy") which is related through the composition of the Conservancy's Board. The Conservancy is empowered to accept donations, grants and bequests and to hold land and other property in compliance with a plan approved by the Ministry of Municipal Affairs. The Conservancy's Board is comprised of three members from Trust Council and up to three members appointed by the Minister of Municipal Affairs.

For financial reporting purposes, the Trust and the Conservancy are reported on separately. These financial statements present the financial position and results of operations of the Trust. Amounts owing from the Conservancy were \$71,061 (2022 - \$88,174).

The Conservancy's annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These expenses are summarized as follows:

	2023	2022
Operations and Property Management	\$ 884,981	\$ 876,595
Board	10,725	8,503
Administration	279,181	248,673
	<u>\$ 1,174,887</u>	<u>\$ 1,133,771</u>

(b) Cost-recoveries:

The Trust administers trust activities on behalf of development applicants on a cost-recovery basis. These activities are included in cost recoveries and are as follows:

	2023	2022
Cash received during the year	\$ 21,652	\$ 15,796
Cash paid during the year	19,418	34,323

The net payable from development applicants of \$2,996 (2022 - \$763) is included in cost recoveries on the statement of financial position.

ISLANDS TRUST

Notes to Financial Statements

Year ended March 31, 2023

14. Financial risks and concentration of risk:

The Trust has exposure to the following risks from its use of financial instruments: credit risk, market risk and liquidity risk. The Trust has established policies to identify risks and ensure that management monitors and controls them.

(a) Credit risk:

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held consisting of cash, amounts receivable and investments.

The Trust is exposed to credit risk in the event of non-performance by a debtor. This risk is mitigated as most amounts receivable are due from the Province and are collectible.

It is management's opinion that the Trust is not exposed to significant credit risk associated with its cash deposits and investments as they are placed in recognized British Columbia institutions and the Trust invests solely in guaranteed investment certificates.

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that the Trust is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. It is management's opinion that the Trust is not exposed to significant interest rate risk as it invests solely in guaranteed investment certificates with fixed interest rates.

(c) Liquidity risk:

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they become due.

The Trust manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

There has been no change to risk exposure from 2022 related to credit, market or liquidity risks.

- PS Planner Administration - Planner time spent on LTC, council committee and Trust Council meeting attendance, preparation and travel would be recorded.
- PS Planner Current Planning – planner time for application processing would be recorded. This includes time spent at public meetings, travel for site visits, research and reporting, and general work associated with application processing.
- PS Planner Projects – this includes planner time spent working on LTC work program items and Islands Trust wide planning projects, including related travel.
- PS Region Management – review and preparation of documents for meetings, staff support and mentoring, and related travel.
- PS Cost Recovery – specific applications operating under cost-recovery agreements have time codes set up for staff time tracking.
- Bylaw Enforcement – BE time and related travel time by bylaw enforcement staff.
- General Leave – paid time off, such as vacation time or paid sick time.
- General Administration – staff meetings, training, conferences and related travel.

The data collected by staff in the Time Collection system is used to develop allocation percentages for each of the three offices: Northern, Southern, and Salt Spring Island. These percentages are used to allocate certain PS-administrative expenses attributable to Planning Services, as follows:

- *Planning Costs, Northern Office* – allocated based on the percentage of planning time in the Northern office reported to specific Local Trust Committees.
- *Planning Costs, Southern Office* - allocated based on the percentage of planning time in the Southern office reported to specific Local Trust Committees.
- *Planning Costs, Salt Spring Island* – allocated 100% to Salt Spring Island Local Trust Committee.
- *Director LPS Costs* – allocated to each Local Trust Committee based on the percentage of total planning time reported to a specific Local Trust Committee by all offices.
- *LTC Executive Committee expenses* - allocated to each Local Trust Committee based on the percentage of total planning time reported to a specific Local Trust Committee by all offices.
- *Bylaw Costs* – allocated based on the percentage of bylaw enforcement officer, administrative assistant, and manager time reported to specific Local Trust Committees.

3. Non-LPS Administration expenses allocated to Local Trust Areas and Island Municipalities

Trust Council Expenses – allocated to each Local Trust Committee based on their percentage of assessed values in relation to all Local Trust Areas, including Island Municipalities.

Trust Conservancy Expenses – allocated to each Local Trust Area based on their percentage of assessed values in relation to all Local Trust Areas, including Island Municipalities.

General Administrative Expenses

- *Non-LPS related* – allocated to each Local Trust Area based on their percentage of assessed values in relation to all Local Trust Areas, including Island Municipalities.

- *LPS-related* – allocated to Local Trust Committees only (excludes Island Municipalities) based on their percentage of assessed values in relation to all Local Trust Committees.

The inclusion of Island Municipalities was new as of fiscal 2018. Previous year's statements will not show these separately.

Conclusions:

- Data from the Time Collection system is only as reliable as the users of the system. In recent years, not all staff have been recording their time in the system in a timely manner. Many staff who have left the organization did so with very limited time entry into the collection system, leaving supervisors to estimate their hours for the fiscal year. Due to the delays between time worked and time entry to the system, the accuracy of staff time used for allocations in these statements is reduced, meaning cost allocations based on staff hours may be less reliable. Staff have been reminded that this information is important and should be input on a weekly basis. New processes requiring management tracking and follow-up have been implemented on which should help increase the accuracy and usefulness of the data collected. Improvements in time tracking have been seen over previous fiscal years as a result of the increased follow up.
- The process to produce the Allocated Financial Statements remains an imperfect reflection of Local Trust Area resource use, due to the many services that are shared throughout the Islands Trust organization.

ATTACHMENT: March 31, 2023 Allocated Financial Statements.

FOLLOW-UP: As directed.

Prepared By: Director, Administrative Services
Reviewed By: David Marlor, Acting CAO
FPC/Aug 30, 2023

ISLANDS TRUST

Allocated Financial Statements

For the year ended March 31, 2023

	LTC Bal/Win	LTC Denman	LTC Gabriola	LTC Galiano	LTC Gambier	LTC Hornby	LTC Lasqueti	LTC Mayne	LTC N. Pender	LTC Salt Spring	LTC Saturna	LTC S. Pender	LTC Thetis	BIM	Total
Direct Revenue															
Fees & Sales	12,988	8,570	23,905	42,922	8,786	12,887	(715)	8,880	14,104	44,447	10,670	7,561	4,566	-	199,570
Property Tax Levy - General	737	305,007	1,044,142	490,436	447,840	408,795	100,780	468,411	746,959	2,836,841	169,351	123,889	166,675	323,769	7,633,632
Special LTC Tax Requisition	-	-	-	-	-	-	-	-	-	60,000	-	-	-	-	60,000
Grant income for projects	-	7,314	-	-	-	-	-	-	-	-	-	-	-	-	7,314
Total Direct Revenue	13,725	320,891	1,068,047	533,358	456,626	421,682	100,065	477,291	761,063	2,941,288	180,021	131,450	171,241	323,769	7,900,515
LTC Direct Expenses - Operating															
Computer - internet charges	-	-	-	840	-	-	-	-	-	-	-	-	-	-	840
Legal - general	-	-	1,526	-	2,036	1,488	-	-	9,219	19,010	-	4,044	-	-	37,322
Legal - bylaw enforcement litigation	-	7,465	8,077	3,011	106	5,100	56	30	5,746	16,094	-	-	20,173	-	65,859
Legal - litigation	-	-	94,057	70,811	-	-	-	-	7,605	16,341	-	-	-	-	188,814
LTC Trustee Expenses	-	266	88	182	546	197	133	-	-	234	-	243	-	-	1,889
LTC Meeting Expenses	-	2,127	4,767	5,054	1,558	2,734	1,889	1,804	2,660	3,761	867	1,052	1,381	-	29,652
LTC Local Exp APC Meeting Expenses	-	416	1,116	715	-	542	62	549	123	150	-	51	-	-	3,723
LTC Local Exp Communications	-	535	369	2,636	-	98	-	770	-	500	-	-	80	-	4,988
LTC Local Exp Special Projects	-	-	-	-	-	-	-	62	-	-	-	-	180	-	242
Notices - Statutory & Non-Statutory	138	1,598	311	5,441	164	144	-	2,101	3,780	517	1,137	666	171	-	16,167
Office - Lease costs	-	420	-	7,848	-	-	-	300	2,473	-	300	-	-	-	11,341
Office - outside services	-	-	-	1,934	-	-	-	-	100	-	-	-	-	-	2,034
Trustee Remuneration	-	16,994	35,673	16,860	16,339	17,073	12,753	18,901	24,412	66,805	13,173	11,746	13,767	-	264,497
Trustee Remuneration - Benefits	-	5,423	5,117	5,419	6,094	5,652	5,516	5,071	6,986	8,136	5,980	4,147	4,781	-	68,322
LTC Direct Operating Subtotal	138	36,591	153,368	123,546	27,696	33,635	21,204	30,712	63,805	134,800	21,620	23,921	40,795	-	711,829
LTC Direct Expenses - LTC Projects															
Projects - Trust Wide	18	7,322	25,065	11,773	10,750	9,813	2,419	11,244	17,931	68,099	4,065	2,974	4,001	-	175,475
Project - Funded by Special requisition	-	-	-	-	-	-	-	-	-	116,892	-	-	-	-	116,892
LTC Specific Projects	-	20,109	1,008	2,297	20,184	13,596	-	3,604	1,183	39,120	1,284	8,045	-	-	110,430
LTC Projects Subtotal	18	27,431	26,073	14,070	30,934	23,409	2,419	14,848	19,114	224,112	5,349	11,019	4,001	-	402,797
Total Direct Expenses (Operating + Projects)	156	64,022	179,441	137,616	58,630	57,044	23,623	45,559	82,919	358,911	26,969	34,939	44,796	-	1,114,625
Direct Revenues less Direct Expenses	13,569	256,869	888,606	395,742	397,996	364,638	76,442	431,732	678,144	2,582,376	153,052	96,511	126,445	323,769	6,785,890
Indirect Planning Expenses															
Allocate Planning Costs - Northern Team	4,875	166,806	233,359	318	188,955	132,364	36,456	318	742	30,097	954	106	43,874	-	839,224
Allocate Planning Costs- Southern Team	-	9,911	14,220	244,750	5,925	6,356	431	150,060	304,214	80,039	66,358	97,275	2,693	-	982,231
Allocate Planning Costs - SSI Team	-	-	-	-	-	-	-	-	-	687,479	-	-	-	-	687,479
Allocate Director LPS	1,759	32,364	46,438	42,187	35,516	25,803	8,210	25,583	51,973	195,833	11,454	16,567	8,961	-	502,648
Allocate LTC Executive expenditures	323	5,945	8,530	7,749	6,524	4,740	1,508	4,699	9,547	35,972	2,104	3,043	1,646	-	92,330
Allocate Bylaw Team	-	1,312	44,203	33,202	5,096	6,863	-	23,363	52,680	167,526	1,009	1,716	3,633	-	340,603
Total Indirect Planning Expenses	6,957	216,338	346,750	328,206	242,016	176,125	46,605	204,023	419,155	1,196,946	81,879	118,707	60,808	-	3,444,516
Net surplus (shortfall) before Administrative	6,611	40,531	541,856	67,536	155,979	188,513	29,837	227,708	258,989	1,385,430	71,173	(22,196)	65,637	323,769	3,341,374
Administrative Expenses															
Allocate Trust Council	90	36,704	125,650	59,018	53,892	49,193	12,128	56,367	89,887	341,379	20,379	14,909	20,057	183,174	1,062,828
Allocate Trust Conservancy	55	22,680	77,643	36,469	33,302	30,398	7,494	34,831	55,544	210,949	12,593	9,212	12,394	113,189	656,755
Allocate Net Administration	159	65,956	225,789	106,054	96,842	88,399	21,793	101,291	161,525	613,449	36,621	26,790	36,042	78,045	1,658,755
Total Administrative Allocation	304	125,340	429,082	201,541	184,036	167,991	41,415	192,489	306,957	1,165,777	69,593	50,911	68,494	374,409	3,378,338
Net Surplus (Shortfall) incl. Special Taxes	6,307	(84,809)	112,774	(134,005)	(28,057)	20,522	(11,577)	35,219	(47,968)	219,653	1,580	(73,107)	(2,856)	(50,640)	(36,963)
Made up of:															
SSIWPA surplus (shortfall)	-	-	-	-	-	-	-	-	-	(56,892)	-	-	-	-	(56,892)
Trust-wide Surplus (Shortfall)	6,307	(84,809)	112,774	(134,005)	(28,057)	20,522	(11,577)	35,219	(47,968)	276,545	1,580	(73,107)	(2,856)	(50,640)	19,929
	6,307	(84,809)	112,774	(134,005)	(28,057)	20,522	(11,577)	35,219	(47,968)	219,653	1,580	(73,107)	(2,856)	(50,640)	(36,963)

(ii) a consolidated total of all other payments made to suppliers of goods or services during that fiscal year.”

Islands Trust finance prepares this report annually. Following review by the CAO and Financial Planning Committee, and approval by Trust Council, the report is submitted to the Ministry to fulfill the legislated requirement.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: None.

FINANCIAL: None.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: The SOFI will be submitted to the Ministry by September 30, 2023 to ensure compliance with legislated deadlines, and will be posted to the Islands Trust website.

FIRST NATIONS: None.

OTHER: None.

4 RELEVANT POLICY(S): None.

5 ATTACHMENT(S): 2022/23 Statement of Financial Information

RESPONSE OPTIONS

Recommendation: That Trust Council approve the 2022/23 Statement of Financial Information.

Alternative: None.

Prepared By: Director, Administrative Services
Reviewed By: David Marlor, Acting CAO
FPC/Aug 30, 2023

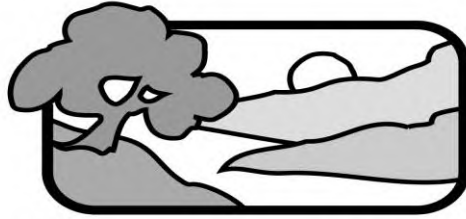


Islands Trust

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned represents the Trust Council of Islands Trust and approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

Peter Luckham
Chair, Islands Trust Council



Islands Trust

The Financial Statements contained in this Statement of Financial Information under the Financial Information Act (“the Act”) have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management’s responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

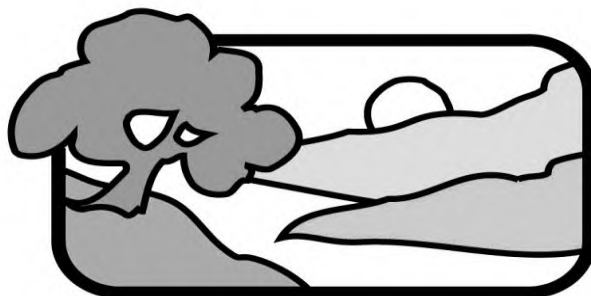
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Islands Trust Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit Committee of Trust Council. The Audit Committee meets with management and the external auditors two times a year.

The external auditors, KPMG, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act, including the Statement of Financial Information. Their examination includes a review and evaluation of the corporation’s system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Audit Committee of Trust Council and meet with it twice each year.

On behalf of Islands Trust,

Director, Administrative Services



Islands Trust

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

Islands Trust has not given any guarantees or indemnities under the Guarantees and Indemnity Regulation.

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between Islands Trust and its non-unionized employees during fiscal year ending March 31, 2023.

Prepared under the Financial Information Regulation, Schedule 1, Subsection 6 (7).

On behalf of Islands Trust,

Director, Administrative Services



SCHEDULE OF REMUNERATION & EXPENSES FOR TRUSTEES

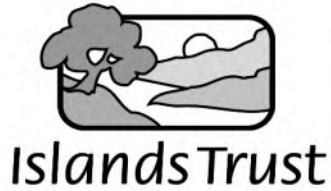
For the year ended March 31, 2023

Prepared as required by Financial Information Regulation, Schedule 1, section 6

ELECTED OFFICIAL		POSITION	TOTAL REMUNERATION & TAXABLE BENEFITS		EXPENSES
Adams,	Linda	ITCB Provincial appointee	\$	1,250	\$ -
Allen,	Alexander	Trustee		12,841	974
Bernardo	Joe	Trustee		5,016	699
Boland	Mairead	Trustee		4,327	-
Borthwick	Sam	Trustee		4,933	331
Brent,	Paul	Trustee		7,084	-
Busheikin	Laura	Trustee		8,279	46
Campbell	Aaron	Trustee		6,116	760
Colbourne	Scott	Trustee		14,152	-
Critchley	David	Trustee		8,079	419
Dodds	Jeanine	Trustee		13,355	370
Elliott	Tobi	Trustee, Council Vice Chair		23,898	2,872
Evans	Kristina	Trustee		4,059	1,589
Falck	Dag	Trustee		3,559	444
Fast	Sue Ellen	Trustee, Council Vice Chair		30,774	7,865
Fenton	Lawrence	Trustee		7,870	472
Gauvreau	Lisa	Trustee		4,857	-
Gedye	Judith	Trustee		1,679	647
Graham	David	Trustee		5,033	233
Grove	Peter	Trustee		23,819	-
Harris	Jaime	Trustee		14,195	-
Hunter	Ken	Trustee		3,938	193
Johnston	Peter	Trustee		6,351	-
Kaile	Michael	Trustee		2,536	-
Langereis	Kees	Trustee		14,352	49
Lironi	Mikaila	Trustee		3,949	1,660
Luckham	Peter	Trustee, Council Chair		63,137	11,594
Mabberley	Benjamin	Trustee		4,857	811
Maude	David	Trustee, Council Vice Chair		28,603	779
McConchie	Benjamin	Trustee		10,322	-
Middleton	Lee	Trustee		10,782	-
Morrison	Deborah	Trustee		16,494	380
Patrick	Laura	Trustee, Council Vice Chair		64,280	4,482
Peterson	Timothy	Trustee, Council Vice Chair		26,871	3,730
Rockafella	Tahirih	Trustee		8,428	47
Rogers	Dan	Trustee, Council Vice Chair		34,000	4,700
Scott	Grant	Trustee		12,891	805
Smith	Risa	ITCB Provincial appointee		1,150	1,062
Stamford	Kate-Louise	Trustee		14,013	2,100
Thorn	Cameron	Trustee		6,029	-
Wolverton	Jane	Trustee		9,761	148
Wright	Stephen	Trustee		6,429	707
Yates	Susan	Trustee		8,550	190
TOTAL			\$	562,899	\$ 51,156

Disclosure of contracts with Elected Officials:

There were no contracts with Elected Officials relevant to the requirements of the Community Charter

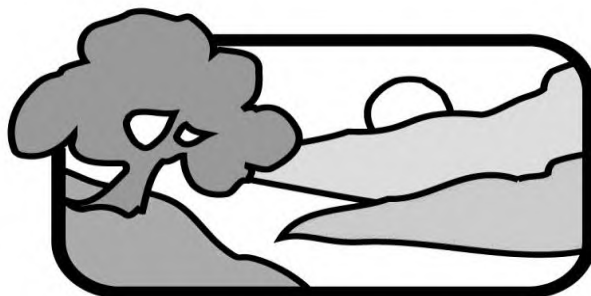


SCHEDULE OF REMUNERATION & EXPENSES FOR EMPLOYEES

For the year ended March 31, 2023

Prepared as required by Financial Information Regulation, Schedule 1, section 6

EMPLOYEE	POSITION	TOTAL REMUNERATION & TAXABLE BENEFITS	EXPENSES
Beeston, David	Information Systems Coordinator	\$ 89,263	\$ 964
Cermak, Stefan	Director, Local Planning Services	90,348	4,182
Chadwick, Narissa	Island Planner	94,390	5,110
Dingman, Warren	Bylaw Enforcement Manager	87,006	12,255
Emmings, Kate	Manager, Islands Trust Conservancy	99,752	3,017
Frater, Clare	Director, Trust Area Services	124,440	2,929
Garbo, Louisa	Island Planner	93,221	2,822
Hippola, Dilani	Senior Policy Advisor	96,577	1,544
Hotsenpiller, Russel	Chief Administrative Officer	185,435	6,454
Kojima, Robert	Regional Planning Manager	111,196	1,880
Marlor, David	Director, Legislative Services	131,210	5,952
McCargar, Marlin	Island Planner	79,699	4,149
Mobbs, Julia	Director, Administrative Services	127,253	3,006
Shulba, William	Senior Freshwater Specialist	92,881	1,873
Smith, Bradley	Island Planner	108,522	7,400
Stockdill, Kimberly	Island Planner	92,319	1,669
Van Bakel, Mark	Senior Technical Analyst	104,833	745
TOTAL OVER \$75,000		1,808,346	65,951
TOTAL \$75,000 OR LESS		2,498,399	62,652
GRAND TOTAL		\$ 4,306,744	\$ 128,603



Islands Trust

RECONCILIATION OF EMPLOYEE REMUNERATION AND EXPENSES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

The variance between the Schedule of Employee Remuneration and Expenses (“the Schedule”) to the Annual Financial Statements is attributable to a number of factors including:

- The Schedule is prepared on a cash basis whereas the Financial Statements are prepared on an accrual accounting basis.
- The Schedule includes amounts paid for gross salary and wages, unused vacation pay-outs, and taxable benefits only.
- The Financial Statements includes employer-related payroll costs such as remittances for CPP, EI, EHT, pension plan contributions, etc.

On behalf of Islands Trust,

Director, Administrative Services



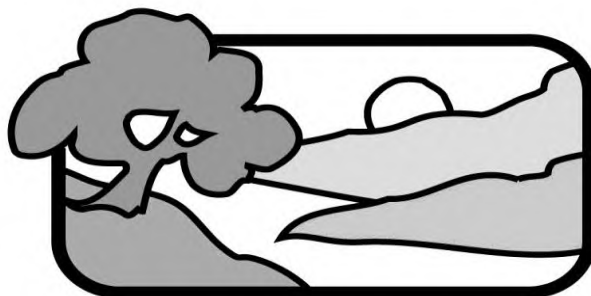
Islands Trust

SCHEDULE OF PAYMENTS TO SUPPLIERS

For the year ended March 31, 2023

Prepared as required by Financial Information Regulation, Schedule 1, section 7

SUPPLIERS NAME	AMOUNT PAID
1322146 BC LTD	\$ 61,118
AON REED STENHOUSE INC	208,737
BC HYDRO CAD	54,005
BLACKMAN SUPPORT SERVICES LTD	142,589
CAPITAL REGIONAL DISTRICT	114,600
CARRINA MASLOVAT	31,341
CITYVIEW, A DIVISION OF N HARRIS COMPUTER CORP	203,270
COAST VICTORIA	26,235
COLLIERS MACAULEY NICOLLS INC	300,502
DRIFTWOOD PUBLISHING LTD	31,228
ECONICS SERVICES INC	31,500
GW SOLUTIONS INC	68,229
ISL ENGINEERING & LAND SERVICES LTD	34,427
MINISTER OF FINANCE - Employee benefits	1,055,680
MINISTER OF FINANCE - KINGS PRINTER	42,950
PACIFIC BLUE CROSS	47,727
RECEIVER GENERAL - Trustee remuneration remittances	101,926
REGIONAL DISTRICT OF NANAIMO	26,888
SHANNON COWAN CONSULTING	57,285
SHAW BUSINESS SOLUTIONS	39,579
SHI CANADA	30,285
TELUS MOBILITY	29,760
YOUNG ANDERSON	374,551
ZOOM VIDEO COMMUNICATIONS INC	25,467
TOTAL PAYMENTS OVER \$25,000	3,139,880
TOTAL PAYMENTS \$25,000 OR LESS	722,178
GRAND TOTAL	\$ 3,862,058



Islands Trust

RECONCILIATION OF PAYMENTS FOR GOODS AND SERVICES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2023

The variance between the Schedule of Payments to Suppliers of Goods and Services (“the Schedule”) to the Annual Financial Statements is attributable to a number of factors including:

- The Schedule is prepared on a cash basis whereas the Financial Statements are prepared on an accrual accounting basis.
- The schedule includes disbursements for purchases of capital assets, which are not included in expenses in the Financial Statements.
- The Schedule includes GST paid to suppliers, where applicable, whereas the annual Financial Statements do not.
- The Schedule excludes disbursements for staff and trustee remuneration, as well as non-cash amortization expense, whereas these items are included in the Financial Statements.

On behalf of Islands Trust,

Director, Administrative Services

Islands Trust**Description of Vendor Services reported in the 2022/23 Statement of Financial Information (SOFI)**

For trustee information only. Descriptions of services will not be included in official SOFI report.

SUPPLIER	AMOUNT	DESCRIPTION OF SERVICES PROVIDED
1322146 BC LTD	\$ 61,118	Office Lease and associated costs - Gabriola
AON REED STENHOUSE INC	208,737	Insurance
BC HYDRO CAD	54,005	Office Lease and associated costs - Salt Spring Island
BLACKMAN SUPPORT SERVICES LTD	142,589	Technical support/computer hardware and software purchases
CAPITAL REGIONAL DISTRICT	114,600	Election costs, SSI Fire Risk Mapping, SSI Weston Lake water project, Pender Island Office lease
CARRINA MASLOVAT	31,341	Islands Trust Conservancy - Species at Risk work and property management plans
CITYVIEW, A DIVISION OF N HARRIS COMPUTER CORP	203,270	LG Development Approval Processing project
COAST VICTORIA	26,235	December Trust Council
COLLIERS MACAULEY NICOLLS INC	300,502	Office Lease and associated costs - Victoria
DRIFTWOOD PUBLISHING LTD	31,228	Statutory notices and advertising
ECONICS SERVICES INC	31,500	SSI Watershed Stewardship and Protection Strategic Plan
GW SOLUTIONS INC	68,229	Groundwater Recharge Mapping Project
ISL ENGINEERING & LAND SERVICES LTD	34,427	Policy Statement Amendment Project - Public Engagement
MINISTER OF FINANCE - Employee benefits	1,055,680	Employee benefit costs paid to BC Public Service Agency
MINISTER OF FINANCE - KINGS PRINTER	42,950	BC Mail services and off-site storage/movement of files
PACIFIC BLUE CROSS	47,727	Trustee extended benefits premiums
RECEIVER GENERAL - Trustee remittances	101,926	Remittances on Trustee remuneration (CPP, Income Tax)
REGIONAL DISTRICT OF NANAIMO	26,888	Election costs
SHANNON COWAN CONSULTING	57,285	SSI Watershed Protection Alliance (SSIWPA) Coordination fees
SHAW BUSINESS SOLUTIONS	39,579	Internet and connectivity costs - all offices
SHI CANADA	30,285	Software Licenses for Windows and other renewals
TELUS MOBILITY	29,760	Mobile phones and internet sticks
YOUNG ANDERSON	374,551	Legal fees
ZOOM VIDEO COMMUNICATIONS INC	25,467	Zoom Licenses
TOTAL PAYMENTS OVER \$25,000	3,139,880	

- Provision to be made for Corporate Information Technology replacement with the annual addition of \$X until annual sustained funding is achieved.
- The District will consider resourcing needs to continue implementation of the Climate Action Plan, the long-term staffing plan, initiatives from the 2019-2023 strategic plan.

At its August 2023 meeting, FPC made the following resolution:

“That Financial Planning Committee ask Trust Council to consider creating guidelines on the 2024/25 budget early in the budget cycle.”

Council may provide guidelines for the 2024/25 budget cycle as it sees fit. Staff and FPC will receive any directed guidelines and refer to them throughout the budget cycle.

3 IMPLICATIONS OF RECOMMENDATION

ORGANIZATIONAL: Dependent on the nature of budget guidelines provided.

FINANCIAL: Dependent on the nature of budget guidelines provided.

POLICY: None.

IMPLEMENTATION/COMMUNICATIONS: Approved budget assumptions, principles, guidelines will be communicated to all department leads in the organization, and will be referred to by staff and Financial Planning Committee during development of the draft budget

FIRST NATIONS: None.

OTHER: None.

4 RELEVANT POLICY(S):

[Policy 6.3.i Budget Process Policy](#)

5 ATTACHMENT(S):

- 2024-25 Draft Budget Assumptions and Principles
- 2024-25 Draft Budget Timelines

RESPONSE OPTIONS

Recommendation:

That Trust Council approve the 2024/25 Budget Assumptions, Principles, and Guidelines.

Alternative:

None.

Prepared By: Director, Administrative Services
Reviewed By/Date: David Marlor, Acting CAO
 Financial Planning Committee/August 30, 2023



ISLANDS TRUST

2023/24 Draft Budget Assumptions and Principles

August 2023

Draft Budget Development Process:

During the budget cycle, each line of the detailed draft budget is reviewed by the responsible Director or manager, giving consideration to previous years' spending and future work programs and services (including Trust Council's Strategic Plan initiatives). Planning staff review planning project needs with Local Trust Committees and identify top priorities and senior staff review project recommendations with Trust Council's committees and Executive Committee. The Islands Trust Conservancy Board requests budget funding levels appropriate to support the goals in its Regional Conservation Plan and other fiscal initiatives. Directors review their respective Committee work programs, policy requirements and operational needs to ensure activities are appropriately funded. The Director, Administrative Services compiles the detailed budget for the year. The draft budget detail is reviewed by the Islands Trust management team prior to being submitted to the Financial Planning Committee for review and consideration. A first draft of the budget is forwarded to Trust Council in December of each year, or in the case of election years, the following January.

REVENUES			
	ITEM	ASSUMPTION/PRINCIPLE	DATA SOURCE
1	Fees and Sales	<p>Budgeted fees revenue has historically been based on an average of previous years' actual revenues, adjusted for trends identified by the Director, Planning Services. In June 2021, Trust Council amended their Application Processing Services Policy 5.6.1 which includes a revised Model Fees Bylaw for consideration by LTCs. LTCs have adopted and implemented new Fees.</p> <p>Budgeted fees revenue for 2024/25 will be based on the following:</p> <ul style="list-style-type: none"> - Estimated application volumes, by type and by LTA, based on historical volume trends, normalised for unusually large volumes seen in COVID-19 years. - Estimated application fees by type and by LTA, as determined by Trust Council's revised model bylaw approved in June 2021. Model Fee bylaw adopted with minor amendments in all Local Trust Areas to the exception of Saturna and North Pender LTAs. The Saturna LTA has deferred consideration to October 19, 2023, the North Pender LTA has deferred consideration to November 24, 2023. <p>-</p>	<p>Historical application volume levels seen in non-pandemic-impacted fiscal years.</p> <p>Model Fees Bylaw as approved in Trust Council's Application Processing Services Policy 5.6.1.</p> <p>Estimated will be adjusted if/as LTCs adopt new application processing fees in advance of the final budget draft.</p>

2	Provincial Grant Funding - Unrestricted	<p>Unrestricted grants are given without restrictions dictating how the funds must be spent. The Provincial grant funds received by Islands Trust annually are unrestricted. These grants are recorded as revenue when they are received.</p> <p>Assumed that unrestricted grant funding from the Province will be received, and that the value will remain consistent with prior years. Although there is a Trust Council resolution to request more funds from the Province, no work has progressed on this task and progress is unlikely in the short term. As such, no increase in funds is anticipated at this time.</p>	Prior year funding levels.
3	Provincial Grant Funding – Restricted	<p>Restricted grants have restrictions dictating how the grant funds must be spent by the receiver. These grants are recorded as revenue only when eligible expenses have been incurred.</p> <p>Assumed the LG Development Application Approvals program funding my grant will be completed in expected timelines this fiscal, requiring no grant revenue in FY2024/25.</p> <p>Assumed receipt of LG Climate Action Program funds of \$38,000.</p> <p>The planned spending in FY2024/25 will be reflected as revenue in the draft budget, along with the related expenses the grant will pay for.</p>	<ul style="list-style-type: none"> • NA • LG CAP program <p>Other grants as identified and approved.</p>
4	Federal Grant Funding – Restricted	<p>Restricted grants have restrictions dictating how the grant funds must be spent by the receiver. These grants are recorded as revenue only when eligible expenses have been incurred.</p> <p>In October 2020, ITC was awarded a multi-year grant for work related to Species at Risk in the Trust Area. The grant amount for fiscal 2024-25 is \$220,000.</p> <p>This amount is recognised as revenue in the draft budget, along with the related expenses the grant will pay for. Related expenses are included in their appropriate area of spending and are not shown separately as their own line item.</p>	Signed grant agreement between ITCB and Environment and Climate Change Canada.

5	Property Taxes - General	<p>Assumed property tax revenue will be required to balance the Islands Trust budget. Assumed the full balance requisitioned will be received by Islands Trust under normal timelines.</p> <p>It is assumed that there will be increased pressures on taxation in the coming budget year as a result of:</p> <ul style="list-style-type: none"> - Reduced minimum balance surplus levels, meaning less funds available to draw from to balance the budget as has been historical practice of the Trust. - Anticipated increases in the operating budget lines. - Possible changes in project budgets 	Draft budget expenditures less amortization expense, less other revenue sources.
6	Property Taxes - Non-Market Change (NMC) in Tax Base	The property tax base within the Islands Trust Area will grow due to new development activity and changes in use. Assumed that jurisdictions 763 and 764 remain an appropriate representation of the NMC within the total Trust Area.	<p>Draft 1, Version 1 of the budget retains the previous budget's NMC values.</p> <p>BC Assessment report provided in December each year indicates non-market growth for the Trust Area and is updated in the draft budget at that time.</p>
7	Property Taxes – Special Requisitions	Assumed SSI LTC may request by way of resolution, a special levy to continue the SSIWPA work (to be considered).	<p>Trust Council Policy 6.3.2 Special Property Tax Requisitions</p> <p>SSI LTC resolution related to SSIWPA request (not yet determined)</p>
8	Property Taxes – Bowen Island Municipality	Assumed relevant policy regarding this requisition will remain unchanged.	Trust Council Policy 7.2.6 Municipal Tax Requisition Calculation
9	Investment Income	Assumed interest income will remain relatively consistent with current fiscal levels. Assumed Islands Trust will continue to invest in conservative investments in line with legislation. Assumed sustainable investment vehicles will be secured for a portion of invested funds to align with Trust values.	Islands Trust Act, Community Charter , current interest rate trends and investment advisor information.
10	Other Grant Funding	<p>Islands Trust will continue to monitor grant opportunities available for corporate work, but does not expect significant new inflows of revenue from this source.</p> <p>Any budgeted revenue from grant funds for projects will be offset by a budgeted expense for the same amount, to ensure appropriate conservatism in the budget.</p>	Current grant programs available to Islands Trust and historical inflows of grant funding, adjusted for change in staff hours dedicated to the grants function in light of job description revamp associated with this position.

EXPENSES			
	ITEM	ASSUMPTION/PRINCIPLE	DATA SOURCE
11	Inflation	<p>The cost of goods and services will rise in line with inflation. Application of this assumption is not applied in a direct manner whereby all expenses are increased by a percentage. Rather, where real spending trends are analysed for purposes of generating a budget figure, historical averages are most frequently rounded upwards, with special considerations given to expenditure types experiencing higher than typical increases, including standard rates for contractors where work is most often completed by external parties (i.e.: strategic plan projects).</p>	<p>Consumer Price Index (CPI) for Victoria, as reported for the month of December by BC Statistics (based on Statistics Canada data), to assess if current inflation accommodations are appropriate.</p> <p>Draft 1, Version 1 of the budget will include CPI rates available as at the date of this budget draft, with final update happening in December.</p>
12	Staffing Levels	<p>Assumed Island Trust management will bring forward funding requests for additional staff positions as needed, or revised staffing complements that result in budget increases. Assumed requested for any new staff positions will be presented via business case to FPC/TC.</p> <p>Decreased staffing levels may result in a reduced level of services, functions, or quality of work.</p> <p>New functions or services may require either additional staffing or the deletion of some existing functions or service levels.</p>	<p>Current staffing levels, plus potential forthcoming new staff requests, including the following:</p> <ul style="list-style-type: none"> - Business case for Planning Services Co-op student (expected) - Business case for Freshwater Co-op student request (expected) - ITC Board resolutions 2023-018 and 2023-019 requesting staff to consider budget increases for property management.
13	Staffing Salaries and Benefits	<p>Assumed that staff will continue to be appointed subject to the <i>Public Services Act</i> and the <i>Public Service Labour Relations Act</i>, in accordance with the <i>Islands Trust Act</i>.</p> <p>Assumed costs for staff salaries and benefits will rise in accordance with relevant legislation and union agreements.</p>	<p>Public Service Labour Relations Act (all staff). Public Service Act and PSA Policy on salary administration for management employees (exempt staff). BCGEU union agreement (union staff). Public Service Agency (benefits costs/rate, all staff) – based on prior year benefit rate in the absence of information from PSA whose timing is delayed</p>

			due to provincial budget delays.
14	Trustee Remuneration	<p>Assumed that no changes will be made to the guiding policy for Trustee Remuneration.</p> <p>Assumed that the number of meetings requiring payment to trustees for Trust Council Committees (FPC, TPC, RPC, GC) will remain similar to prior year figures.</p>	<p>TC Policy 7.2.1 Trustee Remuneration. (census information 2021) stats Canada CPI information, Folio information from BC Assessment)</p>
15	Office Facilities	<p>Assumed that office locations for staff will remain in Victoria, on Salt Spring Island and on Gabriola Island.</p> <p>Islands Trust has signed a 2 year lease with Northern Island office landlord. During this time management will continue to explore opportunities to share office space with other Provincial agencies in Nanaimo, BC. With the adoption of a more remote workforce at the Trust, real estate needs on Gabriola Island may shift, providing an opportunity to re-evaluate our needs in the current climate. Consideration of retaining a presence in Gabriola Island in a smaller capacity is part of the ongoing assessment.</p> <p>Assumption that the SSI office will be relocated by July 2024 in line with SSI office lease termination by the landlord. Funding for an office move will be required.</p> <p>Discussion regarding current leased space on Galiano will take place with Galiano trustees to determine if retaining the office space is of value.</p>	<p>TC Policy 7.4.4 On-Island Trustee Offices.</p> <p>Existing multi-year office leases.</p> <p>Cost estimates for the planned SSI office relocation.</p>
16	Planning Services	<p>Assumed that Islands Trust Council will continue to provide sufficient funding for LTCs to carry out their primary function of land-use planning and regulatory activities within their local trust area, as permitted by the <i>Islands Trust Act</i>.</p> <p>OCP and LTC project budgets are distributed between LTCs as they seek funding for various projects. Smaller projects with estimated costs less than \$5,000 continue to be funded by the lump sum budget for LTC project work, which LTCs can draw from throughout the year.</p> <p>The following principles will guide decisions on LTC projects in the budget cycle:</p> <ul style="list-style-type: none"> • OCP and LTC projects with estimated costs greater than \$5,000 will require a funding request from the LTC, for consideration by Trust Council. • Similar projects (e.g., OCPs) will be consolidated for efficiencies where feasible. 	<p>Local Planning Services Review 2018</p> <p>TC's Strategic Plan 2018-2022</p> <p>TC Policy 5.9.1 Best Management Practices for Delivery of Local Planning Services to Local Trust Committees</p>

		<ul style="list-style-type: none"> Proposed projects will not be funded unless there are sufficient staff resources to implement them. 	
17	Planner Resource Allocation	<p>Assume planner resource allocation will be allocated in accordance with</p> <p>Trust Council policy 6.2.1 (Priority Setting/Review Guidelines) and Trust Council 6.7.1 (Work Program, FUAL, and Priorities Report)</p>	<p>LPS Review 2018</p> <p>TC's Strategic Plan 2018-2022 Implementation</p> <p>TC Policy 6.2.1 Priority Setting/Review Guidelines and TC Policy 6.7.1 Work Program, Follow-up Action List and Priorities Report</p>
18	Strategic Plan Projects	<p>Assumed projects underway that were endorsed at June 2023 TC, as part of the current strategic plan will be seen through to completion, potentially requiring funding in 2024/25.</p>	<p>TC's Strategic Plan 2018-2022</p>
19	Elections	<p>No Election in the year.</p>	
20	First Nations Reconciliation	<p>The principle of reconciliation should be embraced across all levels of work at Islands Trust. To facilitate this in the budget cycle, all business cases will include consideration of First Nation engagement needs and opportunities to advance reconciliation.</p>	<p>Business cases submitted during the budget cycle.</p>
21	Community Communications and Engagement	<p>The principle of communication with community and public engagement are important to Islands Trust, as such all business cases will include consideration of public engagement and communication needs.</p>	<p>Business cases submitted during the budget cycle.</p>
	ITEM	ASSUMPTION/PRINCIPLE	DATA SOURCE
20	General Surplus	<p>Assumed that general surplus will be used to reduce tax burden leaving the general revenue surplus at the minimum level under Trust Council Policy.</p>	<p>TC policy 6.5.1 Reserves and Surplus, section D.6, amended, recommends a minimum level of General Revenue Surplus as "2.4 months (or 20%) of expenses net of 2.4 months of revenue, excluding revenue from property taxes or the provincial grant".</p>
21	LTC-Specific Reserve Fund	<p>Assumed Trust Council will continue to make use of the LTC-Specific Reserve Fund.</p>	<p>Estimate from Direct, Planning Services based on known and anticipated projects.</p>
22	Special Property Tax (SSIWPA) Surplus Fund	<p>Unknown at this time if the SSI LTC unspent special property tax balance at fiscal 2024 end will be requested for spending in the 2024/25 budget.</p>	<p>TC resolution #2020-086</p>

			SSI LTC to provide resolutions related to SSIWPA as they are determined.
23	Significant Unusual Circumstances	Assumed significant unusual circumstances identified in the budget development cycle will be addressed as required.	None identified.

Resolutions Referenced, in order of mention:

ITC-2023-018

that the Islands Trust Conservancy (ITC) Board direct staff to prepare an ITC Budget request, including the following items, and to return to the ITC Board for review in July:

- *Inclusion of Species at Risk Program grant commitments, totaling \$220,000;*
- *An increase to the property management budget of \$6,210 to reflect new nature reserves and covenants;*
- *An increase to the travel budget of approximately \$1,000 to accommodate additional travel needs for newly acquired remote covenants;*
- *Consideration of further increases to the budget to accommodate increasing property management needs; and,*
- *Development of a business case for the second year of First Nations engagement associated with development of the 2026-2030 ITC Five-Year Plan.*

ITC-2023-019

that the Islands Trust Conservancy Board direct staff to conduct an analysis of property management needs relative to available staff hours and return to the Board with a summary of the analysis and available options.

TC 2020-086

THAT Trust Council authorize the Salt Spring Island Local Trust Committee to use unspent special property tax requisition funds from previous fiscal years to undertake water sustainability projects that do not require coordination through the local trust committee's (LTC's) delegated authority under Trust Council Bylaw No. 154.

**ISLANDS TRUST
BUDGET CYCLE TIMELINE**

Fiscal Year: 2024/25

Date	Activity
May - June 2023	Council Committees begin discussions of upcoming fiscal year priorities and work program planning with staff and give direction to staff for business case development.
May 31, 2023	Financial Planning Committee meeting Budget Cycle Timeline: FPC reviews and discusses (potentially approves) the budget cycle timelines.
July-Aug, 2023	LTCs (+ SSIWPA) start discussion of upcoming fiscal year priorities and work programs with planning staff, including project proposals for consideration as 'additional operations' (ie: potential special requisitions)
August 30, 2023	Financial Planning Committee meeting Budget Cycle Timeline: FPC reviews and approves the Budget cycle timeline, if not approved in May. BAP: FPC reviews first draft of Budget Assumptions and Principles (BAP) Public Consultation: FPC discussion of planned changes/improvements to the budget Public Consultation process.
1st week of Sept 2023	Departmental budget templates deployed: Budget documents distributed to all Managers for development of departmental budgets. Budget Requests Development: Managers develop and review budget requests with staff for input and feedback into the budget process.
Sept 26-28, 2023	Trust Council meeting BAP: Trust Council reviews and approves the BAP. General discussions at this meeting may help inform budget decisions.
Oct 18, 2023	Financial Planning Committee meeting BAP: FPC reviews updated BAP. Budget Draft 1, V1: FPC reviews and discusses Draft 1, Version 1 of the budget. Budget Requests: FPC reviews business cases for budget funding requests and makes recommendations to staff on which requests to include/remove from the draft budget.
3 weeks ↓ Oct 18 - Nov 1, 2023	Budget Draft 1, V2: Staff make revisions to budget draft as directed by FPC. Continued research and planning to improve estimates for proposed operational changes. LTC Project Specific Reserve Fund: Planning staff develop budget proposals on behalf of LTCs for estimates of LTC Specific Reserve Fund requirements. Special Tax Requisitions: Preparation for potential local tax requisitions for individual LTCs (see policy 6.3.ii Special Property Tax Requisition).
Nov 8, 2023	Financial Planning Committee meeting BAP: FPC reviews updated BAP to be forwarded to December Trust Council. Budget Requests: FPC reviews amended and new budget request business cases to be forwarded to Trust Council in December. Budget Draft 1, V2: FPC reviews Draft 1, Version 2 of the budget to be forwarded to Trust Council in December. LTC + ITCB requests: FPC reviews any specific requests coming from LTCs and ITCB as part of the budget draft review.
Dec 5-7, 2023	Trust Council meeting BAP: Trust Council endorses Budget Assumptions and Principles. Budget Draft 1, V2: Trust Council discusses and debates draft budget, and provides direction for changes as determined necessary. Public Consultation: Trust Council endorses draft budget (as amended, if needed) for public consultation, and approves the Budget consultation process.
January 2024	Financial Planning Committee meeting (assumed) Budget Draft 2, V1: FPC reviews and discusses Draft 2, V1 of the budget which will be amended to reflect Trust Council's directions, as well as refined operational budgets to adjust for new and updated data. Other Agency Consultation: Consultation with Bowen Island Municipality and Trust Conservancy Board continue. Public Consultation on draft budget is conducted. Special Tax Requisitions: LTCs seeking funding for "additional operations" from a special tax requisition pass a resolution to do so.
February 2024	Financial Planning Committee meeting (assumed) Special Tax Requisitions: LTCs proposing a special tax requisition hold public consultation meetings. Public Consultation Review: FPC reviews results and feedback from the budget public consultation, and makes recommendations to budget changes from these results, as needed. Special Tax Requisitions: FPC makes recommendations on special requisitions. Budget Draft 2, V2: FPC reviews Draft 2, Version 2 of the budget to be forwarded to Trust Council for their March meeting
March 2024	Trust Council (assumed) Budget Approval: Trust Council approves the Budget along with the current year Property Tax Requisition, Bowen Municipality Tax Levy and LTC special tax requisitions. Bylaw Approvals: Trust Council approves Financial Plan bylaw and Revenue Anticipation bylaw. Minister's Package: Staff prepare a report on the budget for the Minister, and submit this report along with the approved financial bylaws for consideration by the Minister. Communications: Approved budget information is posted to the Islands Trust website and a news release rolled out.

General

Trust Area Services (TAS) staff organized and supported one Trust Programs Committee (TPC) meeting, held in August. Staff also welcomed and oriented Robyn Kefi, Senior Indigenous Relations Specialist and Mary Storzer, A/Senior Policy Advisor. Staff also arranged for Mike Richards to take on a temporary assignment in the Program Coordinator role. Trust Area Services will be recruiting soon for the new Administrative Coordinator position, and for the permanent Senior Policy Advisor role.

Staff prepared a briefing to Trust Council regarding climate action.

Islands 2050 (Policy Statement Amendment) Project

In March, Trust Council adopted a project charter, approved project funding and received a communications strategy. Staff work on this project has faced delays due to staff vacancies. Staff have now completed a revised draft Policy Statement and have shared it with the eight First Nations that accepted capacity funding. As applicable, some First Nations also received a custom concordance table explaining how their comments on the last draft were or were not addressed. Staff will be meeting with First Nations through the fall to answer any questions. Following the process set out in the project charter approved by Trust Council, in early 2024 Trust Programs Committee/Executive Committee will receive the draft revised Policy Statement for review with:

- a Request for Decision recommending additional changes not yet requested by Trust Council,
- a summary of comments provided by First Nations about the draft
- a concordance table showing the changes between the July 2021 draft and the revised draft.

Trust Programs Committee and Executive Committee will then develop recommendations to Trust Council about further changes to the draft document, and for the amendment process, as required. Staff will recommend that Trust Council schedule a special meeting(s) to discuss the draft document, comments from First Nations and committee recommendations for changes.

Through the fall, staff will also be working with a communications contractor on communications products as set out in the communications strategy received by Trust Council in March 2023. Communication materials explaining the amendment process and the revised draft. These materials will make clear that Trust Council may consider the document a number of times and direct changes until Trust Council is comfortable giving approval in principle. In terms of public engagement on the draft document, Islands Trust will be in an inform stage until Trust Council has given approval in principle. The document will then be referred to local trust committees and Bowen Island Municipality for six months of consideration. These bodies may choose to undertake public engagement locally during this time to inform their referral responses.

Staff also prepared a business case for 2024/25 budget for the Policy Statement Amendment Project and updated the project charter to account for delays in the project due to staff vacancies.

Staff continue to monitor the Islands2050@islandstrust.bc.ca inbox and respond to enquiries, and update the Islands 2050 webpage as needed.

Stewardship Education Program

Staff mailed 422 Living in the Trust Area information packages to new residents.

At its August meeting, Trust Programs Committee approved a project charter for a speaker series with a focus on groundwater and wildfire preparedness. Trust Programs Committee also requested staff to ask trustees for suggestions on wildfire prevention webinar resources applicable to the Islands Trust Area.

Trust Programs Committee also reviewed a survey seeking feedback on potential topics for topics from Trust Area residents for further stewardship education webinars. Staff issued the survey and will provide the results to Trust Programs Committee in November. Staff also prepared a business case for the Stewardship Education Program in 2024/25 which was approved by Trust Programs Committee.

Advocacy/Coordination

No advocacy letters have been sent since the Trust Council meeting in June.

Delegation Letters

One thank-you letter was prepared for the Chair and sent to a group who made a presentation to the March 2023 Trust Council Meeting. Staff also provided a briefing to Executive Committee regarding how some local governments thank delegates after meetings.

Reconciliation Program

Staff oriented the new Senior Indigenous Relations Specialist to the role – this is ongoing.

Staff also coordinated the drafting and sending of 26 letters to First Nations to advise them of the outcomes of the election, current projects, and to invite meetings. This was a significant project involving staff in both Trust Area Services, Planning Services and the Executive Office. Staff will be working on letters to Indigenous-led non-profit societies on the islands. Once responses are received Trust Area Services staff will assist with meeting/event coordination and preparation.

Trust Area Services staff provided advice and support to staff and trustees who had meetings or correspondence with First Nations. Staff are providing support to regional planners on the First Nations relationship building components of their major and minor projects. Staff are liaising with provincial staff and other local government staff to support the development of the Reconciliation program. Staff undertook a project with contracted administrative support to organize the electronic records related to First Nations relations.

- Reviewed, sifted and culled 2500+ related documents
- Created user friendly mock-up file structure for First Nations related records
- Organized and filed remaining documents into the mock-up structure and appropriate locations in the electronic directory
- Read through past e-mails flagging important information

- Created Core Interest and Concern log for each First Nation in the Islands Trust Area and populated with flagged important information
- Currently merging First Nation contact database spreadsheets into one central spreadsheet for staff before contents are transferred to new database software.

This project is the basis for integrating First Nations communications record keeping and First Nations core concerns and interests tracking into the work of planners and Conservancy staff. Staff are initiating discussions with planning staff on this integration.

Staff e-mailed trustees to initiate the Reconciliation Learning Group.

Staff are working on communications for National Day for Truth and Reconciliation.

Staff developed a Request for Decision to Trust Council for appointments to the Snaw-naw-as First Nation/Islands Trust working group.

Staff are developing a budget for operational needs for reconciliation-related activities and needs for 2024/25 and considering recommendations for use of the \$150,000 grant from the province for engagement and protocol agreement development.

Legislative Monitoring

Staff monitored multiple sources for updates and new items since the May 2023 report. Staff provided time-sensitive items to the Executive Committee or senior staff. Staff prepared the legislative monitoring report for Trust Council review in September.

Secretariat Services

At its August 2023 meeting, Trust Programs Committee voted to allocate \$2,600 to the Coastal Douglas-fir Conservation Partnership. Staff issued this contract. Staff also prepared a business case for the Secretariat Services program in 2024/25 which was approved by Trust Programs Committee.

Grants Management

During this reporting period the Grants Program Manager supported planning staff with applications for the Canada Mortgage and Housing (CMHC)'s Housing Accelerator Fund and the Complete Communities Fund for Salt Spring Island LTC. Support was also provided for CMHC Housing Accelerator Fund applications for Mayne Island and Denman Island LTCs.

Staff also monitored grant funded projects. These includes grants to Islands Trust and to associated groups/agencies that are underway. Currently these include: the Local Government Development Application Program Grant - \$367,795; Make Way Canada Grant - Xetthecum Eco-cultural Mapping Project – Flow through funding - \$38,000; Sunshine Coast Regional District Project - Coastal Flood Mapping Grant - \$510,000.

Staff also prepared a report to the Local Government Climate Action Program for 2022.

Communications/Engagement

Staff are developing a budget for operational needs for communication-related activities and needs for 2024/25.

Communications Strategy

Staff drafted an Islands Trust communications strategy for Executive Committee review.

Islands Trust 50th anniversary

Staff drafted an Islands Trust briefing for Executive Committee review.

Annual Report

The Annual Report content was approved at the Trust Council meeting in June. The graphic design work is almost complete and final proofing is underway. The graphic designer will complete changes in early September and it will be provided to the Minister and broadly distributed once Trust Council approves the financial statements.

Property Tax Notice Insert

The 2022 property tax insert was approved by the Executive Committee and submitted to the Province of BC by the April 1 deadline. Residents received these notices in June. Staff did not receive any comments or questions from the public.

Website

Staff maintained the website and contracted improvements to the document library to improve retrieval of documents. Staff have completed a new webpage to address inaccuracies and provide clarification to island residents - this page is new and more topics need to be included as they arise.

Webpages are being worked on a consistent basis to update data, improve readability and conciseness.

Staff provided comments to Trust Programs Committee about further feedback about biology-related language on the website and publications posted to the website.

Media relations

Staff continued media relations, contact journalists with corrections or clarifications, and continue to build the media contacts list.

Social media posting

Staff have continued posting to social media. A consistent posting schedule has been underway since March 2023, with a planned schedule of two posts per week, or more as necessary. Facebook followers have increased to a total of 800 followers, up from 781, while X (previously known as Twitter) has 1176 followers, down from 1178. X followers continue to decrease as the platform undergoes significant changes. The effects of Bill C-18 on social media engagement will be monitored and strategies adjusted, if necessary.

As of March 8, Islands Trust is active on LinkedIn and Instagram. While these platforms are still in the early stages with small follower numbers, the growth has been excellent. To date, Instagram has 129 followers, up from 99 followers, and LinkedIn has 138 followers, up from 125. A Linktree account has been created to support linking to the Islands Trust website from Instagram. New content on the data from Stats Canada will be going out from September.

Identity Guide

Staff finalized an Islands Trust identity guide for staff to guide the writing and production of publications to ensure a consistent Islands Trust identity within the organization and in public. The guide has been rolled out within the organization.

Support for Planning Services

Staff provided communications assisted with social media for the Salt Spring Island Local Trust Committee engagements, the Keats Shoreline Project, and Islands Trust Northern Office notices. Staff also provided website presence updates for projects.

Media clippings service

Staff continue to monitor media sources and provide a summary of Trust-relevant news stories to trustees. While staff aim to provide updates twice a week, this service is provided on a time-available basis. At the request of Bowen Island Municipality, staff are now providing public media articles in the clippings service to Bowen Island Municipal Council as a briefing.

Census data infographics

Staff received Census data from Statistics Canada along with associated infographics for each local trust area/Bowen Island Municipality/Islands Trust Area that show trends over time, and distribution to Trust bodies for their information is underway. The data has been posted to the Trends Monitoring page of the website, and will be shared via social media from September to December. If the content proves to be interesting to the public, the series may continue on. Staff also sought an additional metric from Statistics Canada.

Engagement

No public engagement in this period. Staff prepared a Request for Decision for Financial Planning Committee regarding public engagement on the draft 2024/25 budget. Financial Planning Committee voted to not proceed with public engagement this year.

Meetings with Trustees

Throughout the summer, the Communication Specialist and Program Coordinator engaged in meetings, both virtually and in person, with a total of 23 trustees. These meetings were conducted to foster connections, gain insights into how staff can enhance support for trustees' communication endeavors, and solicit feedback on areas where trustees believe staff can improve Trust Area wide communications. Trustees were also provided with information about existing resources designed to simplify and support communication efforts.

News Releases

One Community Information Notice and two news releases were distributed over the past quarter:

- August 2023 – Islands Trust Releases Legal Opinion About Emergency Options for Thetis Island Property that Poses Fire Risk (Community Information Notice for Thetis Island)
- August 2023 - BC Supreme Court Upholds Galiano Land Use Bylaw
- August 2023 - September Islands Trust Council Meeting Program Announced

Active Projects Report

Trust Programs Committee

1. *Policy Statement Amendment Project*

Provide recommendations to Executive Committee on the content of the revised draft Policy Statement.

Responsible

Clare Frater
Mary Storzer

Dates

Rec'd: 21-Jun-2017
Target: 01-Oct-2026

2. *Stewardship Education Program*

Develop and implement a stewardship education program directed towards the public, industry and stakeholders in the Trust Area. (Strategic Plan strategy #4.3). This includes the Living in the Trust Area project guided by the project charter endorsed by TPC.

Responsible

Clare Frater
Gillian Nicol

Dates

Rec'd: 13-Aug-2020
Target: 29-Mar-2024

3. *Secretariat Role to Forums within the Trust Area*

Administer Secretariat Services program. Strategic Plan item 5.2

Responsible

Clare Frater
Gillian Nicol

Dates

Rec'd: 20-Jun-2018
Target: 29-Mar-2024

Future Projects Report

Trust Programs Committee

1. *Update Crown Land Agreements*

Responsible

Date Received

Engage Bowen Island Municipality and the Province of B.C. in updating and consolidating existing agreements into one.

19-Jun-2014

2. *Community Benefit Land Trust Concept*

Responsible

Date Received

Further consideration of the Community Benefit Land Trust Concept briefing presented to TPC on February 5, 2021.

05-Feb-2021

3. *Community Stewardship Awards Program*

Responsible

Date Received

Trust Council Policy 2.1.11 Administration of Community Stewardship Awards Program states: Islands Trust Programs Committee of Trust Council is responsible for initiating Islands Trust Community Stewardship Awards Program in February in the final year of each term.

02-Dec-2021



**ISLANDS TRUST CONSERVANCY
REPORT TO TRUST COUNCIL
2nd Quarter 2023-2024**

COMPLETED SINCE LAST REPORT (July – September 2023)	PLANNED FOR NEXT QUARTER (October – December 2023)
1. STRATEGIC PLANNING/ADMINISTRATION	
<p>Continued to assist Information Systems Team to transition to CityView application</p> <p>Welcomed and provided orientation to new Board members (Lisa Gauvreau and Charles Kahn)</p> <p>Hosted ITC Board / Executive Committee liaison meeting</p> <p>Completed ITC Audit</p> <p>Completed Progress Report for Work Plan #1 of ITC’s Regional Conservation Plan 2018-2027</p>	<p>Recruit for Strategic Fund Development Specialist and Species at Risk Program Coordinator</p> <p>Develop internal processes to comply with new reserved practice for biology</p> <p>Participate in Contact Relationship Management software and CityView application transitions</p> <p>Complete Work Plan #2 (2024 – 2027) for ITC’s Regional Conservation Plan 2018-2027</p> <p>Complete Year 3 SAR Program Report for the Board</p>
2. COVENANT AND PROPERTY ACQUISITIONS	
<p>Responded to enquiries (Bowen, N. Pender & Salt Spring)</p> <p>Accepted transfer of 3.4 ha to create Larmour Lands Nature Reserve (Salt Spring)</p> <p>Registered covenant on Sandy Beach Nature Reserve (Keats); expanded covenants at Brooks Point and Nighthawk Hill NAPTEP (Penders)</p> <p>Conducted First Nations referrals for NAPTEP applications (Gabriola and Salt Spring)</p>	<p>Continue negotiations on 42 ha of land</p> <p>Complete land transfer to add to new Nature Reserve (Salt Spring)</p>
3. COVENANT AND PROPERTY MANAGEMENT	
<p>Management planning and First Nations engagement ongoing for two nature reserves (Link and Saturnina Islands)</p> <p>Conducted monitoring of 66 covenants and completed monitoring of all 33 nature reserves</p> <p>Launched 2-year multi-Species at Risk (SAR) survey and monitoring project (Lasqueti)</p> <p>Launched 4th year of Sharp-tailed Snake monitoring project on five ITC lands</p>	<p>Develop work plan to complete archeological assessments (Link and Saturnina islands)</p> <p>Complete annual monitoring of covenants</p> <p>Initiate SAR surveys on Lasqueti nature reserves</p> <p>Update species and ecosystems at risk data for internal use by planning and ITC staff</p> <p>Continue multi-species at risk survey and monitoring project (Lasqueti)</p> <p>Continue Sharp-tailed Snake monitoring project</p>

As of September 2023 the Islands Trust Conservancy protects 113 conservation properties, 34 nature reserves and 79 covenants (of which 28 have NAPTEP certificates)



**ISLANDS TRUST CONSERVANCY
REPORT TO TRUST COUNCIL
2nd Quarter 2023-2024**

3. COVENANT AND PROPERTY MANAGEMENT (Cont.)	
<p>Continued Western Screech Owl surveys and wildlife tree inventory (Link Island and Thetis)</p> <p>Invasive plant removal in six covenants (North Pender, Salt Spring, Sidney)</p> <p>Nature reserve management: Restoration maintenance (Denman, Salt Spring, Lasqueti, Mayne); Invasive plant management (Denman, Gabriola, Link and Saturnina islands)</p> <p>Continued monitoring and site maintenance in the pollinator meadow restoration area at Mt. Tuam Protected Area covenant (Salt Spring)</p> <p>Conducted invasive species management and beach cleanups in one covenant (North Pender Local Trust Area)</p> <p>Conducted bullfrog population control in one covenant (Sidney Island)</p>	<p>Work with partners to finalize one management plan (Salt Spring)</p> <p>Continue monitoring bat species on ITC properties</p> <p>Initiate prairie oak (Garry oak) habitat restoration in one covenant (Sidney Island)</p> <p>Resume yellow flag iris control in one covenant (Gabriola)</p> <p>Continue participation in the Sidney Island Ecological Restoration Project and the Capital Region Invasive Species Partnership</p> <p>Complete site prep for two restoration projects (Salt Spring & Sidney Islands)</p>
4. COMMUNICATIONS AND OUTREACH	
<p>Released a Summer edition of the Heron Newsletter and eNews</p> <p>Developed Draft ITC 2022/23 Annual Report</p> <p>Completed Species at Risk Speaker Series</p> <p>Issued Livingstone NAPTEP Covenant News Release</p> <p>Initiated production for video to tell the story of Sidney Island’s conservation covenants</p>	<p>Release Fall edition of the Heron and eNews</p> <p>Ongoing social media management</p> <p>Launch of the 2023/2024 Will Power Campaign</p> <p>Complete production of a short video on the topic Sidney Island’s conservation covenants</p>
5. FUNDRAISING AND CONSERVANCY SUPPORT	
<p>Stewardship of donors and advisors (ongoing)</p> <p>Presented Legacy Giving Workshop (Lasqueti)</p> <p>Attended Reginald Hill celebration as a contributor through the Opportunity Fund (Salt Spring)</p> <p>Hosted small celebration for Livingstone Forest NAPTEP covenant donor and a community celebration to open the Sandy Beach Nature Reserve (Keats)</p>	<p>Complete Tempest estate administration</p> <p>Launch National Willpower Campaign</p> <p>Ongoing stewardship of donors and advisors</p> <p>Report to Western Screech Owl research donor on impact/results of generosity</p> <p>Present Legacy Giving Workshop on Salt Spring Island with Salt Spring Island Conservancy</p>

As of September 2023 the Islands Trust Conservancy protects 113 conservation properties, 34 nature reserves and 79 covenants (of which 28 have NAPTEP certificates)

Financial Statements of

**THE ISLANDS TRUST
CONSERVANCY**

Year ended March 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Islands Trust Conservancy Board, the Trustees of Islands Trust and the Minister of Municipal Affairs

Opinion

We have audited the financial statements of the Islands Trust Conservancy (the Entity) which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2023, and its results of operations, its changes in fund balances and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Victoria, Canada

_____, 2023

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2023 Total	2022 Total
(Schedule 1)						
Assets:						
Current assets:						
Cash	\$ 144,281	\$ 212,875	\$ -	\$ -	\$ 357,156	\$ 294,711
Short-term investments (note 2)	-	178,950	-	88,000	266,950	269,633
Grants receivable	-	23,850	-	-	23,850	31,950
	144,281	415,675	-	88,000	647,956	596,294
Investments (note 3)	-	172,249	-	-	172,249	167,750
Land (notes 5 and 7)	-	-	15,345,100	3,076,601	18,421,701	17,213,701
	\$ 144,281	\$ 587,924	\$ 15,345,100	\$ 3,164,601	\$ 19,241,906	\$ 17,977,745
Liabilities:						
Current liabilities:						
Deferred contributions	\$ 45,049	\$ -	\$ -	\$ -	\$ 45,049	\$ -
Grants payable	14,350	4,615	-	-	18,965	-
Due to Islands Trust	-	71,061	-	-	71,061	88,174
	59,399	75,676	-	-	135,075	88,174
Asset retirement obligations (note 4)	-	80,708	-	-	80,708	-
Fund Balances:						
Unrestricted	84,882	-	-	-	84,882	114,230
Investment in land (note 5)	-	-	15,345,100	-	15,345,100	14,137,100
Internally restricted (note 6)	-	31,562	-	-	31,562	32,043
Externally restricted (note 6)	-	399,978	-	-	399,978	441,597
Restricted for endowment purposes (note 7)	-	-	-	3,164,601	3,164,601	3,164,601
	84,882	431,540	15,345,100	3,164,601	19,026,123	17,889,571
Subsequent event (note 11)						
	\$ 144,281	\$ 587,924	\$ 15,345,100	\$ 3,164,601	\$ 19,241,906	\$ 17,977,745

The accompanying notes are an integral part of these financial statements.

Approved by the Islands Trust Conservancy Board:

Board member

Board member

DRAFT - September 13, 2023

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2023 Total	2022 Total
(Schedule 2)						
Revenue:						
Donations:						
Cash	\$ 61,258	\$ 39,148	\$ -	\$ -	\$ 100,406	\$ 107,547
Land	-	-	1,208,000	-	1,208,000	-
Grants	-	245,529	-	-	245,529	280,704
Rental income	-	10,507	-	-	10,507	10,455
Investment income (loss)	5,895	4,310	-	-	10,205	(6,337)
	67,153	299,494	1,208,000	-	1,574,647	392,369
Expenses:						
Repairs and maintenance - Alton property	-	16,482	-	-	16,482	21,788
Property management	-	1,260	-	-	1,260	4,880
Asset retirement cost (note 4)	-	79,483	-	-	79,483	-
Accretion expense	-	1,226	-	-	1,226	-
Bank charges	115	28	-	-	143	132
Grants to external parties	96,386	4,615	-	-	101,001	22,000
Species at Risk	-	238,500	-	-	238,500	242,500
Conservation Stimulus	-	-	-	-	-	38,500
	96,501	341,594	-	-	438,095	329,800
Excess (deficiency) of revenue over expenses	\$ (29,348)	\$ (42,100)	\$ 1,208,000	\$ -	\$ 1,136,552	\$ 62,569

The accompanying notes are an integral part of these financial statements.

THE ISLANDS TRUST CONSERVANCY

Statement of Changes in Fund Balances

Year ended March 31, 2023, with comparative information for 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	Total
Fund balances, March 31, 2021	\$ 15,754	\$ 509,547	\$ 10,327,169	\$ 6,974,532	\$ 17,827,002
Excess (deficiency) of revenue over expenses	98,476	(35,907)	-	-	62,569
Interfund transfer (note 9)	-	-	3,809,931	(3,809,931)	-
Fund balances, March 31, 2022	114,230	473,640	14,137,100	3,164,601	17,889,571
Excess (deficiency) of revenue over expenses	(29,348)	(42,100)	1,208,000	-	1,136,552
Fund balances, March 31, 2023	\$ 84,882	\$ 431,540	\$ 15,345,100	\$ 3,164,601	\$ 19,026,123

The accompanying notes are an integral part of these financial statements.

THE ISLANDS TRUST CONSERVANCY

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 1,136,552	\$ 62,569
Item not involving cash:		
Donation of land	(1,208,000)	-
Accretion	1,226	-
Asset Retirement Obligations	42,774	-
Changes in non-cash operating working capital:		
Grants payable	18,965	-
Grants receivable	8,100	21,550
Due to Islands Trust	(17,113)	6,576
Deferred contributions	45,049	-
	<u>27,552</u>	<u>90,695</u>
Capital activities:		
Cash received for settlement of asset retirement obligation	36,708	-
Investing activities:		
Decrease in short-term investments	2,683	7,592
Decrease in long-term investments	162,501	-
Purchase of investments	(167,000)	(167,750)
	<u>(1,816)</u>	<u>(160,158)</u>
Increase (decrease) in cash	62,445	(69,463)
Cash, beginning of year	294,711	364,174
Cash, end of year	\$ 357,156	\$ 294,711

The accompanying notes are an integral part of these financial statements.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

The Islands Trust Conservancy (the “Trust Conservancy”) is incorporated under The Islands Trust Act of British Columbia and is empowered to accept donations, grants and bequests on behalf of The Islands Trust and to hold land and other property in compliance with a Trust Conservancy plan approved by the Ministry of Municipal Affairs.

The Islands Trust Council (the “Trust”) is also incorporated under The Islands Trust Act of British Columbia. The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

The Trust Conservancy is administered by the Trust and for financial reporting purposes, the Trust and the Trust Conservancy are reported on separately. The Trust Conservancy’s annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These financial statements present the financial position and changes in fund balances of the Trust Conservancy.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations:

(a) Fund accounting:

The Trust Conservancy follows the restricted fund method of accounting for contributions.

The Opportunity Fund reports unrestricted resources.

The Restricted Fund reports the assets, liabilities, revenue and expenses related to internally and externally restricted assets.

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Trust Conservancy’s capital assets.

The Endowment Fund reports resources that are contributed for endowment purposes.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record short-term investments at fair value as they are managed and evaluated on a fair value basis. Investments in guaranteed investment certificates are recorded at amortized cost.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations. During the years presented, there are no unrealized gains and losses, and as a result, no statement of remeasurement gains and losses has been included in these financial statements. Short-term investments held by the Trust Conservancy are classified as Level 2 investments for fair value measurement and there were no changes in classification in the years presented.

(c) Land:

Purchased land is recorded at cost. Contributed land is recorded at estimated fair value at the date of contribution.

(d) Revenue recognition:

Restricted contributions are recorded as revenue of the appropriate restricted fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recorded as revenue of the Opportunity Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions for which there is no restricted fund are recognized as revenue of the Opportunity Fund in the period in which related expenses are incurred.

Contributions for endowment are recorded as revenue in the Endowment Fund balance.

Interest income earned on Endowment Fund resources is restricted for the purpose of maintaining certain specified property and is recorded in the Restricted Fund. Interest income of internally restricted funds is recorded as revenue of the Restricted Fund. Other interest income is recorded as revenue of the Opportunity Fund when earned.

All other forms of income are recorded as revenue of the Opportunity Fund when received or receivable.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(e) Liability for contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Trust Conservancy is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(f) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

The liability for the removal of asbestos and other hazardous materials in the Ruby Alton house owned by the Trust Conservancy has been recognized based on estimated expenses on remediation or demolition of the structure. The liability for costs to remove rustic structures on Link Island has been recognized based on contributed funds received for the purposes of future removal of the structures.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(g) Natural assets:

The Trust Conservancy is fortunate to have, and to be mandated to protect, many natural assets in the Island Trust Area that reduce the need for engineered infrastructure that might otherwise be required by other government agencies to provide various services to the islands. This includes island aquifers (water storage and filtration); streams, ditches and wetlands (rain water management); forests (carbon sequestration); and foreshore areas (natural seawalls). Canadian public sector accounting standards do not provide for the valuation and recording of such assets in the financial statements. As such, these natural assets are not reported in these financial statements. Nevertheless, the Conservancy acknowledges the importance of these assets and the need to manage them in conjunction with engineered infrastructure that is managed by other government agencies.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Estimates include assumptions used in estimating the fair value of contributed land at the date of contribution and asset retirement obligations. Actual results could differ from those estimates.

(i) Change in accounting policy:

On April 1, 2022 the Trust Conservancy adopted Canadian public sector accounting standard PS 3280 *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The standard was adopted on a prospective basis at the date of adoption resulting in no changes to accumulated surplus or annual surplus for comparative years presented.

On April 1, 2022 the Trust Conservancy recognized an asset retirement obligation related to a building containing asbestos and other hazardous materials located on the Ruby Alton Nature Reserve. The impact of this recognition and related accretion expense is reflected in the financial statements for the year ending March 31, 2023, along with other obligations arising the reporting year.

Under the prospective method, the assumptions used on initial recognition of these asset retirement obligations are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

2. Short-term investments:

Short-term investments consist of an endowment fund with the Victoria Foundation and Municipal Finance Authority of British Columbia ("MFA") Short Term Bond and Money Market Funds. Investments in MFA Funds are recorded at market value.

3. Investments:

Investments consist of guaranteed investment certificate that matures on November 2, 2023. It has an interest rate of 4.95%.

4. Asset retirement obligations:

The Trust Conservancy owns one building located on the Ruby Alton Nature Reserve that is known to contain asbestos and other hazardous materials, which represents a health hazard upon demolition or remediation of the building and there is a legal obligation to remove it. Following the adoption of *PS 3280 Asset Retirement Obligations*, the Trust Conservancy recognized an obligation relating to the removal and post-removal care of the hazardous materials in this building as estimated at April 1, 2022. Estimated costs have been based the calculated current value of costs associated to address the future obligation.

During the 2023 year, the Trust Conservancy received a contributed asset, Link Island Nature Reserve, which contains a rustic cabin structure that will require future removal as a result of an agreement with the donor family. This required removal represents an asset retirement obligation under PS 3280. Estimated costs have been based on the value of funds received from the donor to remove the structures.

The transition and recognition of asset retirement obligations resulted in newly recognized liabilities as follows:

	Acquisition year	2023
Asset		
Ruby Alton house	2002	\$ 44,000
Link Island structures	2023	36,708
		<hr/> \$ 80,708

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

5. Land:

	Acquisition year	2023	2022
Inner Island Nature Reserve, Denman Island	1992	\$ 70,000	\$ 70,000
Coats Millstone Reserve, Gabriola Island	1994	100,000	100,000
E,HO, (Medicine Beach) Nature Sanctuary, North Pender Island	1996	477,000	477,000
Cunningham Nature Reserve, Salt Spring Island	1994	265,000	265,000
Deep Ridge Nature Reserve, Salt Spring Island	1992	255,000	255,000
Lower Mt. Erskine Nature Reserve, Salt Spring Island	1996	284,000	284,000
Kwel Nature Sanctuary, Lasqueti Island	1997	195,497	195,497
Singing Woods Nature Reserve, Bowen Island	1999	157,000	157,000
Trincomali Nature Sanctuary, Galiano Island	2001	242,406	242,406
Horton Bayviary Nature Reserve, Mayne Island	2002	210,000	210,000
Morrison Marsh Nature Reserve, Denman Island	2006	438,000	438,000
Brigade Bay Bluffs Nature Reserve, Gambier Island	2006	150,000	150,000
Long Bay Wetland Nature Reserve, Gambier Island	2006	305,000	305,000
S'ul-hween X'pey (Elder Cedar) Nature Reserve, Gabriola Island	2007	658,000	658,000
Mount Artaban Nature Reserve, Gambier Island	2009	1,177,000	1,177,000
Fairy Fen Nature Reserve, Bowen Island	2011	1,817,000	1,817,000
Laughlin Lake Nature Reserve, Galiano Island	2013	56,000	56,000
Vanilla Leaf Land Nature Reserve, Galiano Island	2014	217,000	217,000
Fairyslipper Forest Nature Reserve, Thetis Island	2017	550,266	550,266
Sandy Beach Nature Reserve, Keats Island	2022	2,703,000	2,703,000
Link Island Nature Reserve, Link Island	2023	1,208,000	-
		11,535,169	10,327,169
Properties acquired under the Federal Government Ecological Gifts Program:			
Mt. Trematon Nature Reserve, Lasqueti Island	2006	320,000	320,000
David Otter Nature Reserve, Bowen Island	2007	620,000	620,000
John Osland Nature Reserve, Lasqueti Island	2012	890,000	890,000
Valens Brook Nature Reserve Lot A, Denman Island	2013	280,000	280,000
Burren's Acres Nature Reserve, Gabriola Island	2014	210,000	210,000
Moore Hill Nature Reserve, Thetis Island	2017	780,000	780,000
Valens Brook Nature Reserve Lot 1, Denman Island	2019	85,000	85,000
Salish View Nature Reserve, Lasqueti Island	2020	304,931	304,931
Lisa Baile Nature Reserve, North Pender Island	2022	320,000	320,000
		3,809,931	3,809,931
		\$ 15,345,100	\$ 14,137,100

The Conservancy has a 99-year lease with BC Parks Foundation to manage Lands owned by the Foundation as a Nature Reserve.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

6. Restricted Fund balances:

	2023	2022
Internally restricted:		
McFadden Creek management fund	\$ 20,626	\$ 21,393
Property Management fund	10,936	10,650
	<u>31,562</u>	<u>32,043</u>
Externally restricted:		
Alton Nature Reserve - maintenance fund	111,384	156,758
Morrison Fund	10,467	14,809
Covenant Defense Fund	118,894	115,790
Lasqueti Acquisition Fund	30,465	27,541
Gambier Acquisition Fund	127,433	125,398
Thetis Island Acquisition Fund	1,335	1,301
Link Island Removal Fund	-	-
	<u>399,978</u>	<u>441,597</u>
	<u>\$ 431,540</u>	<u>\$ 473,640</u>

7. Restricted for endowment purposes:

	Acquisition year	2023	2022
Short-term investments			
Alton Nature Reserve - maintenance	2002	\$ 88,000	\$ 88,000
Land:			
Lindsay Dickson Nature Reserve, Denman Island	2001	2,200,000	2,200,000
Alton Nature Reserve, Salt Spring Island	2002	454,000	454,000
McFadden Creek Nature Sanctuary, Salt Spring Island	2015	422,601	422,601
		<u>3,076,601</u>	<u>3,076,601</u>
		<u>\$ 3,164,601</u>	<u>\$ 3,164,601</u>

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

7. Restricted for endowment purposes (continued):

Investment gains (losses) on endowment funds for the year of (\$2,683) (2022 - (\$6,587)) have been recorded in the Restricted Fund.

Two properties owned by the Trust Conservancy, the Lindsay Dickson property on Denman Island, and the Alton property on Salt Spring Island, were donated on the condition that the properties be used and managed in certain ways. The Lindsay Dickson property was donated “for so long as the land is used as a nature reserve for the use, benefit and enjoyment of the residents of B.C.” The Alton property is to be held, managed and preserved for its ecological, environment and scenic features and not as a recreational park. The residence, gardens and driveway are to be preserved and managed for non-profit purposes.

In the event that these properties are not managed accordingly, the properties could revert to the Province of British Columbia in the case of the Lindsay Dickson Nature Reserve and to the Executors of the donor’s estate in the case of the Alton Nature Reserve.

In 2015, the McFadden Creek Nature Sanctuary on Salt Spring Island was donated to the Trust Conservancy on the condition that the property was to be protected, preserved and maintained in its natural state. Should a disposition of this property ever be triggered, there is a Right of First Refusal on the property in favor of the Wild Bird Trust of BC.

8. Interfund transfer:

During the year, there were no interfund transfers. In the prior year, there was an interfund transfer of \$3,809,931 from the Endowment Fund to the Capital Fund, reflecting the value of lands historically received under the Ecological Gift Program no longer restricted for endowment purposes.

9. Related party:

The Trust is related to the Trust Conservancy through the composition of the Trust Conservancy’s Board. The Trust Conservancy’s Board is comprised of three members from the Trust’s Council and up to three members appointed by the Minister of Municipal Affairs.

The Trust Conservancy’s annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. The expenses are summarized as follows:

	2023	2022
Operations and property management	\$ 884,981	\$ 876,595
Board	10,725	8,503
Administration	279,181	248,673
	<u>\$ 1,174,887</u>	<u>\$ 1,133,771</u>

At March 31, 2023, amounts owing to Islands Trust were \$71,061 (2022 - \$88,174).

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

10. Financial risks and concentration of risk:

The Trust Conservancy's financial instruments consist of cash, short-term investments, investments, grants receivable, grants payable and amounts due to Islands Trust. It is management's opinion that the Trust Conservancy is not exposed to significant interest, currency or credit risk arising from these financial instruments. The maximum exposure to credit risk at March 31, 2023 is the carrying value of cash, short-term investments and investments and grants receivable. The Trust Conservancy deals with creditworthy counterparties to mitigate credit risk. The Trust Conservancy manages its liquidity risk by monitoring its operating requirements. Interest rate risk is not significant due to the short term nature of investments held. There have been no significant changes to risk exposure in the years presented.

11. Subsequent event:

Subsequent to March 31, 2023 the transfer of Larmour Nature Reserve, a 3.36 hectare land parcel located in the Salt Spring Island Local Trust Area, from Jonathan Penn to the Trust Conservancy was completed. The approximate \$374,015 assessed value of the donated land is not reflected in the assets or fund balances as at March 31, 2023. The value of these donated assets will be recorded in the financial statements of the year ending March 31, 2024.

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

Schedule 1

March 31, 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2022 Total
Assets:					
Current assets:					
Cash	\$ 114,230	\$ 180,481	\$ -	\$ -	\$ 294,711
Short-term investments	-	181,633	-	88,000	269,633
Grants receivable	-	31,950	-	-	31,950
	114,230	394,064		88,000	596,294
Investments	-	167,750	-	-	167,750
Land	-	-	14,137,100	3,076,601	17,213,701
	\$ 114,230	\$ 561,814	\$ 14,137,100	\$ 3,164,601	\$ 17,977,745
Liabilities:					
Current liabilities:					
Due to Islands Trust	\$ -	\$ 88,174	\$ -	\$ -	\$ 88,174
Fund Balances:					
Unrestricted	114,230	-	-	-	114,230
Investment in land	-	-	14,137,100	-	14,137,100
Internally restricted	-	32,043	-	-	32,043
Externally restricted	-	441,597	-	-	441,597
Restricted for endowment purposes	-	-	-	3,164,601	3,164,601
	114,230	473,640	14,137,100	3,164,601	17,889,571
	\$ 114,230	\$ 561,814	\$ 14,137,100	\$ 3,164,601	\$ 17,977,745

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Schedule 2

Year ended March 31, 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2022 Total
Revenue:					
Donations:					
Cash	\$ 104,847	\$ 2,700	\$ -	\$ -	\$ 107,547
Land	-	-	-	-	-
Grants	-	280,704	-	-	280,704
Rental income	-	10,455	-	-	10,455
Investment income (loss)	250	(6,587)	-	-	(6,337)
	105,097	287,272	-	-	392,369
Expenses:					
Repairs and maintenance - Alton property	-	21,788	-	-	21,788
Property management	-	4,880	-	-	4,880
Bank charges	121	11	-	-	132
Grants to external parties	6,500	15,500	-	-	22,000
Species at Risk	-	242,500	-	-	242,500
Conservation Stimulus	-	38,500	-	-	38,500
	6,621	323,179	-	-	329,800
Excess (deficiency) of revenue over expenses	\$ 98,476	\$ (35,907)	\$ -	\$ -	\$ 62,569

Financial Statements of

**THE ISLANDS TRUST
CONSERVANCY**

Year ended March 31, 2023



KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITOR'S REPORT

To the Trustees of The Islands Trust Conservancy Board, the Trustees of Islands Trust and the Minister of Municipal Affairs

Opinion

We have audited the financial statements of the Islands Trust Conservancy (the Entity) which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2023, and its results of operations, its changes in fund balances and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Victoria, Canada

August 29, 2023

THE ISLANDS TRUST CONSERVANCY

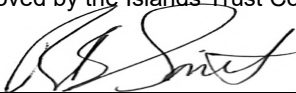
Statement of Financial Position

March 31, 2023, with comparative information for 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2023 Total	2022 Total
(Schedule 1)						
Assets:						
Current assets:						
Cash	\$ 144,281	\$ 212,875	\$ -	\$ -	\$ 357,156	\$ 294,711
Short-term investments (note 2)	-	178,950	-	88,000	266,950	269,633
Grants receivable	-	23,850	-	-	23,850	31,950
	144,281	415,675	-	88,000	647,956	596,294
Investments (note 3)	-	172,249	-	-	172,249	167,750
Land (notes 5 and 7)	-	-	15,345,100	3,076,601	18,421,701	17,213,701
	\$ 144,281	\$ 587,924	\$ 15,345,100	\$ 3,164,601	\$ 19,241,906	\$ 17,977,745
Liabilities:						
Current liabilities:						
Deferred contributions	\$ 45,049	\$ -	\$ -	\$ -	\$ 45,049	\$ -
Grants payable	14,350	4,615	-	-	18,965	-
Due to Islands Trust	-	71,061	-	-	71,061	88,174
	59,399	75,676	-	-	135,075	88,174
Asset retirement obligations (note 4)	-	80,708	-	-	80,708	-
Fund Balances:						
Unrestricted	84,882	-	-	-	84,882	114,230
Investment in land (note 5)	-	-	15,345,100	-	15,345,100	14,137,100
Internally restricted (note 6)	-	31,562	-	-	31,562	32,043
Externally restricted (note 6)	-	399,978	-	-	399,978	441,597
Restricted for endowment purposes (note 7)	-	-	-	3,164,601	3,164,601	3,164,601
	84,882	431,540	15,345,100	3,164,601	19,026,123	17,889,571
Subsequent event (note 11)						
	\$ 144,281	\$ 587,924	\$ 15,345,100	\$ 3,164,601	\$ 19,241,906	\$ 17,977,745

The accompanying notes are an integral part of these financial statements.

Approved by the Islands Trust Conservancy Board:



Board member



Board member

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2023 Total	2022 Total
(Schedule 2)						
Revenue:						
Donations:						
Cash	\$ 61,258	\$ 39,148	\$ -	\$ -	\$ 100,406	\$ 107,547
Land	-	-	1,208,000	-	1,208,000	-
Grants	-	245,529	-	-	245,529	280,704
Rental income	-	10,507	-	-	10,507	10,455
Investment income (loss)	5,895	4,310	-	-	10,205	(6,337)
	67,153	299,494	1,208,000	-	1,574,647	392,369
Expenses:						
Repairs and maintenance - Alton property	-	16,482	-	-	16,482	21,788
Property management	-	1,260	-	-	1,260	4,880
Asset retirement cost (note 4)	-	79,483	-	-	79,483	-
Accretion expense	-	1,226	-	-	1,226	-
Bank charges	115	28	-	-	143	132
Grants to external parties	96,386	4,615	-	-	101,001	22,000
Species at Risk	-	238,500	-	-	238,500	242,500
Conservation Stimulus	-	-	-	-	-	38,500
	96,501	341,594	-	-	438,095	329,800
Excess (deficiency) of revenue over expenses	\$ (29,348)	\$ (42,100)	\$ 1,208,000	\$ -	\$ 1,136,552	\$ 62,569

The accompanying notes are an integral part of these financial statements.

THE ISLANDS TRUST CONSERVANCY

Statement of Changes in Fund Balances

Year ended March 31, 2023, with comparative information for 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	Total
Fund balances, March 31, 2021	\$ 15,754	\$ 509,547	\$ 10,327,169	\$ 6,974,532	\$ 17,827,002
Excess (deficiency) of revenue over expenses	98,476	(35,907)	-	-	62,569
Interfund transfer (note 9)	-	-	3,809,931	(3,809,931)	-
Fund balances, March 31, 2022	114,230	473,640	14,137,100	3,164,601	17,889,571
Excess (deficiency) of revenue over expenses	(29,348)	(42,100)	1,208,000	-	1,136,552
Fund balances, March 31, 2023	\$ 84,882	\$ 431,540	\$ 15,345,100	\$ 3,164,601	\$ 19,026,123

The accompanying notes are an integral part of these financial statements.

THE ISLANDS TRUST CONSERVANCY

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 1,136,552	\$ 62,569
Item not involving cash:		
Donation of land	(1,208,000)	-
Accretion	1,226	-
Asset retirement obligation	42,774	-
Changes in non-cash operating working capital:		
Grants payable	18,965	-
Grants receivable	8,100	21,550
Due to Islands Trust	(17,113)	6,576
Deferred contributions	45,049	-
	<u>27,553</u>	<u>90,695</u>
Capital activities:		
Cash received for settlement of asset retirement obligation	36,708	-
Investing activities:		
Decrease in short-term investments	2,683	7,592
Decrease in long-term investments	162,501	-
Purchase of investments	(167,000)	(167,750)
	<u>(1,816)</u>	<u>(160,158)</u>
Increase (decrease) in cash	62,445	(69,463)
Cash, beginning of year	294,711	364,174
Cash, end of year	\$ 357,156	\$ 294,711

The accompanying notes are an integral part of these financial statements.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

The Islands Trust Conservancy (the “Trust Conservancy”) is incorporated under The Islands Trust Act of British Columbia and is empowered to accept donations, grants and bequests on behalf of The Islands Trust and to hold land and other property in compliance with a Trust Conservancy plan approved by the Ministry of Municipal Affairs.

The Islands Trust Council (the “Trust”) is also incorporated under The Islands Trust Act of British Columbia. The objectives of the Trust are to preserve and protect the Trust area and its unique amenities and environment for the benefit of the residents of the Trust area and of the Province generally.

The Trust Conservancy is administered by the Trust and for financial reporting purposes, the Trust and the Trust Conservancy are reported on separately. The Trust Conservancy’s annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. These financial statements present the financial position and changes in fund balances of the Trust Conservancy.

1. Significant accounting policies:

The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations:

(a) Fund accounting:

The Trust Conservancy follows the restricted fund method of accounting for contributions.

The Opportunity Fund reports unrestricted resources.

The Restricted Fund reports the assets, liabilities, revenue and expenses related to internally and externally restricted assets.

The Capital Fund reports the assets, liabilities, revenue and expenses related to the Trust Conservancy’s capital assets.

The Endowment Fund reports resources that are contributed for endowment purposes.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has elected to record short-term investments at fair value as they are managed and evaluated on a fair value basis. Investments in guaranteed investment certificates are recorded at amortized cost.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(b) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations. During the years presented, there are no unrealized gains and losses, and as a result, no statement of remeasurement gains and losses has been included in these financial statements. Short-term investments held by the Trust Conservancy are classified as Level 2 investments for fair value measurement and there were no changes in classification in the years presented.

(c) Land:

Purchased land is recorded at cost. Contributed land is recorded at estimated fair value at the date of contribution.

(d) Revenue recognition:

Restricted contributions are recorded as revenue of the appropriate restricted fund when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recorded as revenue of the Opportunity Fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions for which there is no restricted fund are recognized as revenue of the Opportunity Fund in the period in which related expenses are incurred.

Contributions for endowment are recorded as revenue in the Endowment Fund balance.

Interest income earned on Endowment Fund resources is restricted for the purpose of maintaining certain specified property and is recorded in the Restricted Fund. Interest income of internally restricted funds is recorded as revenue of the Restricted Fund. Other interest income is recorded as revenue of the Opportunity Fund when earned.

All other forms of income are recorded as revenue of the Opportunity Fund when received or receivable.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(e) Liability for contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Trust Conservancy is directly responsible or accepts responsibility;
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(f) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) The past transaction or event giving rise to the liability has occurred;
- (iii) It is expected that future economic benefits will be given up; and
- (iv) A reasonable estimate of the amount can be made.

The liability for the removal of asbestos and other hazardous materials in the Ruby Alton house owned by the Trust Conservancy has been recognized based on estimated expenses on remediation or demolition of the structure. The liability for costs to remove rustic structures on Link Island has been recognized based on contributed funds received for the purposes of future removal of the structures.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

1. Significant accounting policies (continued):

(g) Natural assets:

The Trust Conservancy is fortunate to have, and to be mandated to protect, many natural assets in the Island Trust Area that reduce the need for engineered infrastructure that might otherwise be required by other government agencies to provide various services to the islands. This includes island aquifers (water storage and filtration); streams, ditches and wetlands (rain water management); forests (carbon sequestration); and foreshore areas (natural seawalls). Canadian public sector accounting standards do not provide for the valuation and recording of such assets in the financial statements. As such, these natural assets are not reported in these financial statements. Nevertheless, the Conservancy acknowledges the importance of these assets and the need to manage them in conjunction with engineered infrastructure that is managed by other government agencies.

(h) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Estimates include assumptions used in estimating the fair value of contributed land at the date of contribution and asset retirement obligations. Actual results could differ from those estimates.

(i) Change in accounting policy:

On April 1, 2022 the Trust Conservancy adopted Canadian public sector accounting standard PS 3280 *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The standard was adopted on a prospective basis at the date of adoption resulting in no changes to accumulated surplus or annual surplus for comparative years presented.

On April 1, 2022 the Trust Conservancy recognized an asset retirement obligation related to a building containing asbestos and other hazardous materials located on the Ruby Alton Nature Reserve. The impact of this recognition and related accretion expense is reflected in the financial statements for the year ending March 31, 2023, along with other obligations arising the reporting year.

Under the prospective method, the assumptions used on initial recognition of these asset retirement obligations are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

2. Short-term investments:

Short-term investments consist of an endowment fund with the Victoria Foundation and Municipal Finance Authority of British Columbia ("MFA") Short Term Bond and Money Market Funds. Investments in MFA Funds are recorded at market value.

3. Investments:

Investments consist of guaranteed investment certificate that matures on November 2, 2023. It has an interest rate of 4.95%.

4. Asset retirement obligations:

The Trust Conservancy owns one building located on the Ruby Alton Nature Reserve that is known to contain asbestos and other hazardous materials, which represents a health hazard upon demolition or remediation of the building and there is a legal obligation to remove it. Following the adoption of *PS 3280 Asset Retirement Obligations*, the Trust Conservancy recognized an obligation relating to the removal and post-removal care of the hazardous materials in this building as estimated at April 1, 2022. Estimated costs have been based the calculated current value of costs associated to address the future obligation.

During the 2023 year, the Trust Conservancy received a contributed asset, Link Island Nature Reserve, which contains a rustic cabin structure that will require future removal as a result of an agreement with the donor family. This required removal represents an asset retirement obligation under PS 3280. Estimated costs have been based on the value of funds received from the donor to remove the structures.

The transition and recognition of asset retirement obligations resulted in newly recognized liabilities as follows:

	Acquisition year	2023
Asset		
Ruby Alton house	2002	\$ 44,000
Link Island structures	2023	36,708
		<hr/> \$ 80,708

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

5. Land:

	Acquisition year	2023	2022
Inner Island Nature Reserve, Denman Island	1992	\$ 70,000	\$ 70,000
Coats Millstone Reserve, Gabriola Island	1994	100,000	100,000
E,HO, (Medicine Beach) Nature Sanctuary, North Pender Island	1996	477,000	477,000
Cunningham Nature Reserve, Salt Spring Island	1994	265,000	265,000
Deep Ridge Nature Reserve, Salt Spring Island	1992	255,000	255,000
Lower Mt. Erskine Nature Reserve, Salt Spring Island	1996	284,000	284,000
Kwel Nature Sanctuary, Lasqueti Island	1997	195,497	195,497
Singing Woods Nature Reserve, Bowen Island	1999	157,000	157,000
Trincomali Nature Sanctuary, Galiano Island	2001	242,406	242,406
Horton Bayviary Nature Reserve, Mayne Island	2002	210,000	210,000
Morrison Marsh Nature Reserve, Denman Island	2006	438,000	438,000
Brigade Bay Bluffs Nature Reserve, Gambier Island	2006	150,000	150,000
Long Bay Wetland Nature Reserve, Gambier Island	2006	305,000	305,000
S'ul-hween X'pey (Elder Cedar) Nature Reserve, Gabriola Island	2007	658,000	658,000
Mount Artaban Nature Reserve, Gambier Island	2009	1,177,000	1,177,000
Fairy Fen Nature Reserve, Bowen Island	2011	1,817,000	1,817,000
Laughlin Lake Nature Reserve, Galiano Island	2013	56,000	56,000
Vanilla Leaf Land Nature Reserve, Galiano Island	2014	217,000	217,000
Fairyslipper Forest Nature Reserve, Thetis Island	2017	550,266	550,266
Sandy Beach Nature Reserve, Keats Island	2022	2,703,000	2,703,000
Link Island Nature Reserve, Link Island	2023	1,208,000	-
		11,535,169	10,327,169
Properties acquired under the Federal Government Ecological Gifts Program:			
Mt. Trematon Nature Reserve, Lasqueti Island	2006	320,000	320,000
David Otter Nature Reserve, Bowen Island	2007	620,000	620,000
John Osland Nature Reserve, Lasqueti Island	2012	890,000	890,000
Valens Brook Nature Reserve Lot A, Denman Island	2013	280,000	280,000
Burren's Acres Nature Reserve, Gabriola Island	2014	210,000	210,000
Moore Hill Nature Reserve, Thetis Island	2017	780,000	780,000
Valens Brook Nature Reserve Lot 1, Denman Island	2019	85,000	85,000
Salish View Nature Reserve, Lasqueti Island	2020	304,931	304,931
Lisa Baile Nature Reserve, North Pender Island	2022	320,000	320,000
		3,809,931	3,809,931
		\$ 15,345,100	\$ 14,137,100

The Conservancy has a 99-year lease with BC Parks Foundation to manage Lands owned by the Foundation as a Nature Reserve.

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

6. Restricted Fund balances:

	2023	2022
Internally restricted:		
McFadden Creek management fund	\$ 20,626	\$ 21,393
Property Management fund	10,936	10,650
	<u>31,562</u>	<u>32,043</u>
Externally restricted:		
Alton Nature Reserve - maintenance fund	111,384	156,758
Morrison Fund	10,467	14,809
Covenant Defense Fund	118,894	115,790
Lasqueti Acquisition Fund	30,465	27,541
Gambier Acquisition Fund	127,433	125,398
Thetis Island Acquisition Fund	1,335	1,301
Link Island Removal Fund	-	-
	<u>399,978</u>	<u>441,597</u>
	<u>\$ 431,540</u>	<u>\$ 473,640</u>

7. Restricted for endowment purposes:

	Acquisition year	2023	2022
Short-term investments			
Alton Nature Reserve - maintenance	2002	\$ 88,000	\$ 88,000
Land:			
Lindsay Dickson Nature Reserve, Denman Island	2001	2,200,000	2,200,000
Alton Nature Reserve, Salt Spring Island	2002	454,000	454,000
McFadden Creek Nature Sanctuary, Salt Spring Island	2015	422,601	422,601
		<u>3,076,601</u>	<u>3,076,601</u>
		<u>\$ 3,164,601</u>	<u>\$ 3,164,601</u>

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

7. Restricted for endowment purposes (continued):

Investment gains (losses) on endowment funds for the year of (\$2,683) (2022 - (\$6,587)) have been recorded in the Restricted Fund.

Two properties owned by the Trust Conservancy, the Lindsay Dickson property on Denman Island, and the Alton property on Salt Spring Island, were donated on the condition that the properties be used and managed in certain ways. The Lindsay Dickson property was donated “for so long as the land is used as a nature reserve for the use, benefit and enjoyment of the residents of B.C.” The Alton property is to be held, managed and preserved for its ecological, environment and scenic features and not as a recreational park. The residence, gardens and driveway are to be preserved and managed for non-profit purposes.

In the event that these properties are not managed accordingly, the properties could revert to the Province of British Columbia in the case of the Lindsay Dickson Nature Reserve and to the Executors of the donor’s estate in the case of the Alton Nature Reserve.

In 2015, the McFadden Creek Nature Sanctuary on Salt Spring Island was donated to the Trust Conservancy on the condition that the property was to be protected, preserved and maintained in its natural state. Should a disposition of this property ever be triggered, there is a Right of First Refusal on the property in favor of the Wild Bird Trust of BC.

8. Interfund transfer:

During the year, there were no interfund transfers. In the prior year, there was an interfund transfer of \$3,809,931 from the Endowment Fund to the Capital Fund, reflecting the value of lands historically received under the Ecological Gift Program no longer restricted for endowment purposes.

9. Related party:

The Trust is related to the Trust Conservancy through the composition of the Trust Conservancy’s Board. The Trust Conservancy’s Board is comprised of three members from the Trust’s Council and up to three members appointed by the Minister of Municipal Affairs.

The Trust Conservancy’s annual expenses are funded by and reported as part of the Trust in accordance with The Islands Trust Act. The expenses are summarized as follows:

	2023	2022
Operations and property management	\$ 884,981	\$ 876,595
Board	10,725	8,503
Administration	279,181	248,673
	<u>\$ 1,174,887</u>	<u>\$ 1,133,771</u>

At March 31, 2023, amounts owing to Islands Trust were \$71,061 (2022 - \$88,174).

THE ISLANDS TRUST CONSERVANCY

Notes to Financial Statements

Year ended March 31, 2023

10. Financial risks and concentration of risk:

The Trust Conservancy's financial instruments consist of cash, short-term investments, investments, grants receivable, grants payable and amounts due to Islands Trust. It is management's opinion that the Trust Conservancy is not exposed to significant interest, currency or credit risk arising from these financial instruments. The maximum exposure to credit risk at March 31, 2023 is the carrying value of cash, short-term investments and investments and grants receivable. The Trust Conservancy deals with creditworthy counterparties to mitigate credit risk. The Trust Conservancy manages its liquidity risk by monitoring its operating requirements. Interest rate risk is not significant due to the short term nature of investments held. There have been no significant changes to risk exposure in the years presented.

11. Subsequent event:

Subsequent to March 31, 2023 the transfer of Larmour Nature Reserve, a 3.36 hectare land parcel located in the Salt Spring Island Local Trust Area, from Jonathan Penn to the Trust Conservancy was completed. The approximate \$374,015 assessed value of the donated land is not reflected in the assets or fund balances as at March 31, 2023. The value of these donated assets will be recorded in the financial statements of the year ending March 31, 2024.

THE ISLANDS TRUST CONSERVANCY

Statement of Financial Position

Schedule 1

March 31, 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2022 Total
Assets:					
Current assets:					
Cash	\$ 114,230	\$ 180,481	\$ -	\$ -	\$ 294,711
Short-term investments	-	181,633	-	88,000	269,633
Grants receivable	-	31,950	-	-	31,950
	114,230	394,064		88,000	596,294
Investments	-	167,750	-	-	167,750
Land	-	-	14,137,100	3,076,601	17,213,701
	\$ 114,230	\$ 561,814	\$ 14,137,100	\$ 3,164,601	\$ 17,977,745
Liabilities:					
Current liabilities:					
Due to Islands Trust	\$ -	\$ 88,174	\$ -	\$ -	\$ 88,174
Fund Balances:					
Unrestricted	114,230	-	-	-	114,230
Investment in land	-	-	14,137,100	-	14,137,100
Internally restricted	-	32,043	-	-	32,043
Externally restricted	-	441,597	-	-	441,597
Restricted for endowment purposes	-	-	-	3,164,601	3,164,601
	114,230	473,640	14,137,100	3,164,601	17,889,571
	\$ 114,230	\$ 561,814	\$ 14,137,100	\$ 3,164,601	\$ 17,977,745

THE ISLANDS TRUST CONSERVANCY

Statement of Operations

Schedule 2

Year ended March 31, 2022

	Opportunity Fund	Restricted Fund	Capital Fund	Endowment Fund	2022 Total
Revenue:					
Donations:					
Cash	\$ 104,847	\$ 2,700	\$ -	\$ -	\$ 107,547
Land	-	-	-	-	-
Grants	-	280,704	-	-	280,704
Rental income	-	10,455	-	-	10,455
Investment income (loss)	250	(6,587)	-	-	(6,337)
	105,097	287,272	-	-	392,369
Expenses:					
Repairs and maintenance - Alton property	-	21,788	-	-	21,788
Property management	-	4,880	-	-	4,880
Bank charges	121	11	-	-	132
Grants to external parties	6,500	15,500	-	-	22,000
Species at Risk	-	242,500	-	-	242,500
Conservation Stimulus	-	38,500	-	-	38,500
	6,621	323,179	-	-	329,800
Excess (deficiency) of revenue over expenses	\$ 98,476	\$ (35,907)	\$ -	\$ -	\$ 62,569