

DRAFT 2021/22 BUDGET HIGHLIGHTS:

Comparisons to Previous Fiscal Years:

Draft 1 version 2 of the fiscal 2021/22 budget presents an overall expenditure increase of 5.3%, \$431,596 over the (amended) approved budget for fiscal 2020/21. A comparison to the previous budget year is helpful to understand possible impacts to taxation levels, as tax requisition increases are based on prior year budget numbers.

Draft 1 Version 2 of the fiscal 2021/22 budget presents an overall operating budget increase of 10%, \$720,339 over *actual* operating expenses for fiscal 2019/20 (two fiscal years of separation). A comparison to actual operating expenses from previous fiscal years is helpful to determine real trends in spending levels, to inform budget development for future fiscal years. The 'operating budget' figure is the total budget less capital purchases, as capital purchases receive different treatment in Islands Trust budget reporting than they do in actuals reporting. As such, they need to be excluded for purposes of budget to actual comparisons. A subtotal for the operating budget is shown in the Budget Detail at Appendix A.

The largest contributing increases in the operating budget over this two year span are in the areas of amortization expense, salaries and wages, insurance costs, ITC operations costs due to new Species at Risk grant funding received, and trustee remuneration. Offsetting areas of decrease relate to meeting expenses, office expenses, training, travel, supplies, and contracted services costs. A breakdown of these increases and decreases is provided in the Budget Detail.

Project expense comparatives are also provided in the Budget Detail but are potentially less helpful for future year decision making as projects vary from year to year based on Council priorities and could have very different costs depending on the nature of work being completed. Of note, however, is that actual project spending over the last four fiscal years has not exceeded \$300,000 in any given year.

Details of Specific Budget Areas:

Details on planned revenues and planned expenditures in the draft budget include the following:

Planned Revenues:

Local Trust Area (LTA) Taxes:

- A proposed average tax increase of 2.59%, (\$175,683) across Local Trust Areas (LTAs) to cover ongoing annual operational costs.
- An anticipated 0.93% (\$63,083) average tax increase across Local Trust Areas (LTAs) to account for the Non-Market Change (NMC) factor, which is an increase to the tax base for new construction, developments, changes in land-use. This figure is based on the NMC Roll Comparison report from BC Assessment as at March 2020 and will be updated to reflect new figures upon release from BC Assessment in time for the March 2021 TC budget review.

The total change in tax revenues to be received from LTAs over last year's budget is an increase of 3.52% (\$238,767).

Bowen Island Municipality Taxes:

- A proposed 4.0%, \$12,021 tax decrease to Bowen Island Municipality (BIM) for their contribution to the Trust Council and Islands Trust conservancy and related administration costs portion of the Islands Trust budget. The contribution has been calculated at \$291,000 in the draft budget.

Special Tax Requisitions:

- An anticipated special property tax levy for the SSI LTA has been budgeted at the annual historical amount of \$75,500 to continue funding the SSI Watershed Protection Alliance (SSIWPA) initiative. The actual amount requested for this special levy, if continued, will be determined based on resolution from the SSI Local Trust Committee (LTC) and subsequent Trust Council approval, and will likely take into account unspent special levy funds from previous fiscal years.

Surplus Funding:

- A transfer of \$288,000 (2020/21 budget - \$429,650) from the General Revenue Surplus Fund, of which \$258,000 is allocated to strategic plan initiatives, and \$30,000 is allocated to a potential project for developing heritage overlay mapping, at the direction of Executive Committee.
- A transfer of \$159,000 (2019/20 budget - \$71,500) from the LTC-Project Specific Reserve Fund to fund ongoing LTC projects and anticipated new projects that may arise in the fiscal year (see Appendix B for a summary list of these projects).

The total dollar draw from accumulated surplus funds in the draft budget is \$447,000 (2020/21 budget - \$501,150).

Other Revenue Sources:

- Fees and Sales from applications is set at \$120,000 (2020/21 - \$115,000) based on current year application trends, as determined by the Director of Local Planning Services. Regional Planning Committee (RPC) is currently conducting a review of application fees which is set to be complete by the end of the current fiscal year 2020/21. Any recommendations from this review will be incorporated into the budget to the extent possible, acknowledging that recommendations may or may not be adopted by Local Trust Committees (LTCs).
- The Provincial Grant funds have been budgeted at historical levels of \$180,000 (2020/21 - \$180,000). Executive Committee and Trust Council are tasked with strategizing an approach to request more funding from the province, and any required adjustments from this work will be made to the draft budget as the budget cycle continues.
- Interest and other income is budgeted at \$60,000 (2020/21 - \$85,000) based on known investment returns from existing investments, plus estimated returns on the investment of 2021/22 property tax funds, and assumes low interest rates will continue into the fiscal year.
- Grant income is estimated at \$8,000 (2020/21 - \$12,000) for Islands Trust. This amount has been reduced as resources dedicated to the grant management function will be reduced in the coming fiscal year, in favour of dedicating staff time to LTC advocacy. This change is a result of the LPS Review implementation. To acknowledge the inherent uncertainty and contingent nature of grant revenues, an equal and offsetting amount has been included in planned expenditures to ensure a balanced budget even in the event that no grant income is realized in the fiscal year. Islands Trust is currently holding approximately \$26,000 in unspent grant monies, which will be recorded as revenue when spent on approved expenditures. Staff will work to identify which of these grant funds are likely to be spent in fiscal 2020/22 and will incorporate associated revenues (and expenses) in future budget drafts.
- ITC Species at Risk (SAR) grant funds are reflected in the budget at \$205,000 (2020/21 - \$nil) in accordance with the proposed contribution agreement with Environment and Climate Change Canada. Expenses covered by these funds are recorded in their appropriate expense area within the ITC budget.

Planned Expenditures:

The largest budgeted expense to Islands Trust remains staff salaries and benefits expense, at \$5,454,656 in the 2021/22 draft budget (2020/21 - \$5,097,170), representing 63% of the overall draft budget. Staffing levels, by department, expressed as Full-Time Equivalents (FTE), are broken down as follows:

**areas with a 0.3FTE co-op student included*

- Executive and Legislative Services – 2.8 FTE
 - Trust Area Services – 4.6 FTE
 - Islands Trust Conservancy – 7.3 FTE*
 - Local Planning Services – 29.8 FTE
 - Bylaw Enforcement – 4.6 FTE
 - Administrative Services – 9.3 FTE
- TOTAL = 58.3 FTE

Factors influencing this expenditure line item include:

- Changes to staffing levels and complements:
 - A request for an additional Bylaw Enforcement Officer, budgeted at approximately \$74,413 for base salary and benefits (\$82,599 for all associated costs). This amount represents 10.5 months of wages,

acknowledging it will take time to recruit for the position at the start of the fiscal year. A business case for this request is included with the funding requests in this agenda.

- The removal of a Planner 1 position in the Gabriola (GAB) office and replacement with a Planner 2 position, resulting in a \$13,159 increase to salaries and wages.
- The removal of a Planner 2 position in the Gabriola (GAB) office and replacement with an Island Planner position, resulting in a \$15,773 increase to salaries and wages.
- The addition of an ITC Species at Risk Program Coordinator, budgeted at approximately \$87,055 for base salary and benefits (\$91,955 for all associated costs). This role will be funded by the Species at Risk grant funding from Environment Canada. No business case was presented to the ITC Board for this position, so no case has been provided to FPC. If the committee would like to see a case before making their recommendation on ITC funding levels in the budget, they may request one.
- The addition of an ITC Co-op field technician, budgeted at approximately \$17,702 for salaries and benefits (\$22,260 for all associated costs) which includes costs to cover a potential Pacific Leaders tuition Grant for co-op employees, should this student apply for and receive it.
- Staff salaries and benefits have been adjusted from previous years for the following factors:
 - A 2.0% wage increase for all 50 BCGEU staff members, effective April 1, 2021.
 - An adjustment for the 21 BCGEU staff who will move up 'steps' in their range in the fiscal year (3.0% per step per person).
 - An movement from Grid 14 to Grid 15 for four staff members, as well an increases in Temporary Market Adjustments (TMAs) for select staff, for a total increase to salaries of \$9,300.
 - An effective up-to 1.5% wage increase for eight excluded management staff members to anticipate potential increases from PSA received in the fiscal year. PSA has communicated that executive wage freezes are in place for next fiscal year and as such no increase has been included for executive staff (i.e.: the CAO).
 - Current year salaries impact opening salaries figures for next fiscal year. Adjustments has been made to excluded staff opening salaries in the current draft to account for recently determined increases for both the CAO and excluded management staff, which were delayed in determination.
 - An analysis of historical staff overtime has been performed and used to budget for estimated overtime in fiscal 2021/22. Overtime costs currently make up approximately \$38,448 (2020/21 - \$44,128) of the total salaries and benefits expense, which equates to approximately \$57,834 (2020/21 - \$54,939) when the cost of benefits associated with potential payouts of this expense is included. This overtime figure was reduced by approximately \$24,000 as a result of the budget reduction exercise undertaken by staff at the direction of FPC.
 - Benefits expense on base salaries remains calculated at 25.4% of gross salaries, consistent with prior years, and is estimated at \$1,096,920 (2020/21 - \$1,030,666). This payment to PSA is made to pay for items such as: employer portions of CCP, EI, EHT, and pension contributions for staff; extended benefit plan premiums for staff; and other fringe benefits for staff. The actual rate for next fiscal year will be received by PSA later in the budget cycle and will updated in the budget draft when received.
 - No allowance for staff turnover has been made in the 2021/22 draft budget (2020/21 – \$nil) as it is expected any savings realized through staff vacancies will be offset by the hiring of temporary or contracted human resources to ensure adequate production of planned work for the fiscal year.

Trustee remuneration remains quantified by Trust Council policy 7.2.1 *Trustee Remuneration* and amounts to \$596,098 in the 2021/22 draft budget (2020/21 - \$595,113). Factors influencing this figure include the following:

- An anticipated 1.2% increase to base remuneration to adjust for CPI changes, based on recently reported annual inflation figures for the Victoria area. This rate will be adjusted to reflect final Statistics Canada inflation rates at the end of the calendar year.
- No change to population figures which are updated every five years in line with census reports issued by Statistics Canada.
- Adjustments for the number of folios by LTA as provided by BC Assessment.
- Inclusion of employer CPP contributions at new rates of 5.45% and 5.75% as at January 1, 2021 and January 1, 2022 respectively. The formula to estimate this expense has been updated to include exemptions and yearly maximums which has reduced the budgeted figure to more closely align with actual costs associated with this expense.

- Extended benefit premiums have been reduced slightly per UBCM correspondence received in October 2020.
- Employer Health Tax (EHT) remains at 1.95% of base salary.
- Inclusion of committee meeting remuneration for Council Committee members at a rate of \$150/meeting for Committee Chairs and \$100/meeting for Committee members. Additional Committee meetings have been added to the budget for RPC who intends to increase the frequency of their meeting schedule.

Trust Council meeting expenses have been budgeted under the assumption that three meetings of Trust Council will be held electronically with the Council Chair and a Vice-Chair travelling to Victoria to manage the meetings from the office boardroom, and one meeting will be held with Council in attendance in-person. This is a deviation from Trust Council's desire to plan for two e-meetings and two in-person meetings, but was incorporated as part of a budget reduction exercise initiated by FPC. To acknowledge trustee comments that in-person connections at these meetings are important, one meeting remains budgeted for in-person. Staff will receive direction from TC to revise this assumption if desired by Council.

The draft budget assumes Trust Council will continue to meet quarterly. Should Trust Council decide that a different format of meetings for next fiscal year should be undertaken (i.e.: that more or less meetings will be held electronically), adjustments will be made to these assumptions accordingly. Current planned spending for Trust Council meetings in the draft budget is \$26,500 (2020/21 – \$95,000) which includes the travel and accommodation costs for the Chair and Vice Chair for the three e-meetings. This amount is include d

Executive Committee meeting expenses are budgeted at \$nil (2020/21 - \$16,600). This follows the assumption that all meetings will be conducted electronically resulting in reduced costs from previous years. Should TC or EC decide that a different format of meetings should be planned for, adjustments will be made to these assumptions accordingly. This reduction arose as a result of the FPC-directed budget reduction exercise and management review of how new meeting processes are most likely to continue into the next fiscal year.

Council Committee meeting expenses (FPC, TPC, RPC) are budgeted at \$1,000 in total for next fiscal year. FPC and RPC have been budgeted to continue holding all meetings electronically which reduces meetings costs to nil. TPC has passed a resolution to hold all electronic meetings with the exception of one in-person meeting which will require funding for trustee travel costs and catering.

All Staff Meeting costs (line 'training – staff recognition & meetings) have been reduced to \$4,000 from historical spending norms to incorporate the impact of more virtual meetings taking place into the future. Holding a small amount to ensure staff can get together at least once annually maintains a part of Islands Trust culture that staff have indicated in previous and current year surveys is important to them in their work satisfaction. **LPS Pro-D day meeting expenses** (included in line 'meeting expenses) has also been reduced from historical norms to acknowledge these meetings will be held more electronically into the future.

LTC-direct expenses amount to \$68,400 (2020/21 - \$68,088). Reductions to LTC trustee expenses was made under the assumption that less travel would be incurred in light of the pandemic. LTC meeting expenses was reduced by 10% assuming electronic meetings would result in less costs for venue rentals. Minute-taker costs make up the bulk of LTC meeting costs and are not expected to see a reduction with a change in meeting format. LTC Communications and Funds for Special Projects remain consistent with actual historical spending and budget at \$5,000 for each area.

LTC-specific project expenses are budgeted at \$159,000 (2020/21 - \$71,500) for LTC projects that are currently ongoing and expected to carry over into the 2021/22 fiscal year (see Appendix B for project list), plus an allowance for upcoming, currently unknown LTC projects (\$39,000). Estimated amounts in this calculation include potential First Nations capacity funding. These projects will continue to be funded from monies in the Special Purpose LTC Project Reserve fund unless directed otherwise by Trust Council.

Islands Trust Conservancy expenses, amount to a total of \$819,166 in the draft budget. \$205,000 in SAR grant funding will offset these expenses (~\$179,000 will offset new planned SAR programming costs, and ~\$26,181 will offset existing staff salaries for time they spend on this work). A breakdown of ITC costs can be found in the funding request summaries.

Excluding budgeted ITC staff salaries and benefits of \$584,411, a budget of \$234,755 is included in the 2021/22 draft budget (2020/21 - \$167,000). Significant budget changes to funding for existing programming include:

- An increase to property management costs to account for the anticipated addition of two nature reserves and one conservation covenant (+\$5,810).
- An increase in legal costs to account for higher rates charged by the new ITC legal counsel (+\$7,000). ITC's former legal counsel is no longer operating.
- A reduction in meeting expenses to account for a 50% reduction in in-person meetings due to the CoViD-19 pandemic (-\$6,925).
- An increase to Communications and Fundraising costs to support an ITC Fund Development Plan (+\$7,000).

Additional new programming related to Species at Risk (SAR) is planned for the 2021/22 fiscal year due to grant funding from Environment and Climate Change Canada that has been awarded to ITC. New programming plans has resulted in the following budgeted expenses associated with new SAR work:

- \$104,263 to cover the salaries and benefits associated with the two new ITC staff positions and \$26,181 to offset a portion of existing staff salaries and benefits.
- Property management associated with SAR work, primarily for Species at Risk surveys on ITC-managed land (\$25,000);
- Conservation planning and land securement costs, which cover potential surveys, appraisals, and ecological inventories on proposals that may be brought forward in the year (\$15,000);
- Mapping of Species at Risk habitats within the Trust Area (\$5,000);
- Legal costs resulting from anticipated higher number of proposals received (\$3,000);
- Training for the new SAR coordinator (\$750);
- Increased travel to account for the new SAR position and the co-op student field tech (\$5,000).

The ITC Board has passed a resolution approving their budget request which includes the items listed above. The RFD that was reviewed by the Board is included with the project business cases/funding requests in this agenda package which provides additional detail. Included at the end of this detail is a breakdown of the ITC budget by new and existing programming, prepared by staff for FPC/TC.

Office leases and associated costs amount to \$447,600 (2020/21 - \$458,000). Main staff office spaces remain in Victoria, and on Gabriola Island and on SSI. Smaller on-island office leases remain in use on Galiano Island, Mayne Island, Pender Island, Saturna Island, and Denman Island used mainly by trustees and LPS staff for meetings with members of the public. Small increases to rental rates have been seen in many of the office spaces, as well as increased cleaning rates for island offices. This draft of the budget includes all existing rented space in the Victoria office with the exception of the Bylaw unit, which will be released in advance of April 1, 2021. Discussions remain underway regarding the other smaller units in the Victoria office (Fin/HR/IS) to determine if these additional units can be terminated in light of the new manner of remote working that may continue post-pandemic. Should decisions around this be reached in time to incorporate in to the final budget draft, amounts will be updated and reduced as appropriate. **Office services costs** have been reduced where appropriate to reflect the reduction in Victoria office space.

Furniture and Equipment costs are included in the budget at \$4,000 which is a 50% reduction from previous budget years. Given the increase in purchased equipment and supplies for staff in the wake of Covid-19, as well as the conversation around reducing real estate, it can be anticipated that furniture and equipment purchases may be reduced in the coming year. As such, a \$4,000 reduction in the budget has been included in the budget. Realizing this reduction will be contingent upon the new working arrangements for staff and whether or not requirements for home office hardware is required for specific situations.

Insurance costs have once again risen and are budgeted at \$185,000 (2020/21 - \$151,385), based on renewal amounts for the current fiscal year. Almost all of this increase relates to General Liability and Errors and Omissions insurance coverage, which provides professional liability coverage for staff and directors liability coverage for trustees. The premium for this insurance plan received a 23% increase as a result of a hardening insurance market and an extended period of claims history reviewed by insurers. It is possible that renewal mid-next fiscal year will see reduced premiums as claims history periods roll forward one year and older claims are removed from the Trust's history list, however it is not possible to determine where markets may be at that time nor is it possible to foresee what new claims may befall the Trust over the next year. As such, the draft 2021/22 budget includes the high rates seen at current fiscal renewal. An

alternative approach would be to budget for a hopeful decrease in premium at renewal, and draw on accumulated surplus funds should this reduction not be realized.

Legal Costs (General, Bylaw enforcement litigation, Litigation defense) have been budgeted at a total of \$265,000 (2020/21 - \$245,000). Legal General remains budgeted at \$90,000 consistent with the 2020/21 budget, in line with upward spending trends in this area. This area of funding pays for legal opinions, interpretations and advice on various topics not associated with litigation or claims files. Legal for Bylaw Enforcement remains budgeted at \$85,000 consistent with the 2020/21 budget, which is in line with upward spending trends in this area, and accounts for the increased desire from trustees that greater enforcement take place on the islands. This also takes into consideration the request for an additional Bylaw Enforcement Officer which could result in greater enforcement action taken. Legal Litigation is budgeted at \$90,000, consistent with prior year actuals and in line with upward spending trends in this area. This is a difficult item to budget for, and while consideration for known claims can be made, there is no way to know what may come forward in the year. Similar to insurance costs, an alternative approach would be to budget for a lower expense in this area, and draw on accumulated surplus funds should additional funds be required in the year for increased litigation.

Contingency funding is included in the budget every year, providing a line item against which unanticipated necessary spending can be allocated. A review of the last four years of actual spending shows contingency funds largely unspent, with two of the four years recording contingency spending at \$2,500 and \$2,700 each related to Trustee training. Contingency funding can be reduced or eliminated in the budget with the understanding that any significant contingencies in the year be funded from surplus funds. There are no negative implications to this change. Contingencies can still be funded at the discretion of the CAO, and would be reported in the area that they relate to. The draft budget includes contingency funding at \$5,000, a reduction from historical \$12,000.

Software Support and Licensing expenses are budgeted at \$103,900 (2020/21 - \$76,700), which includes a \$30,000 Microsoft Windows upgrade to support organization-wide operations. Software cost have risen over the last few years as more electronic processes are embraced, more complex systems are developed and purchased, and the fact that more software is being offered as “a service” in recent years, versus “a purchase”, which results in a shift of budget from capital “Computer H/W and S/W” to this expense line.

Computer Hardware and Software expenses have been budgeted at \$29,200 (2020/21 - \$90,600) which includes costs to purchase new computers for those nearing or at end of life and new staff, and an expansion of server bandwidth capacity to accommodate increased server traffic.

Contracted Services are budgeted at \$45,000 in the 2021/22 draft budget (2020/21 - \$58,500) for services acquired from external providers, generally related to specialized areas of work. The bulk of this planned spending decrease comes from a reduction in ACCPAC consulting services (-\$1,000), a reduction in payroll processing costs (-\$5,000) and a reallocation of temporary staff resources to salaries (-\$3,000). Offsetting increases are associated mainly with funding for contracted FOI assistance (+\$4,500). As part of the FPC-directed budget reduction exercise, this line item was reduced by \$7,000 for LPS contracted services to remove funding for scientifically technical services, which historically have not been required by the Trust. This line was further reduced by \$4,000 associated with TAS monies, which staff have determined can be removed and funded from other budget lines as needed in the year.

Communications and ITC Fundraising costs are budgeted at \$46,000 for the fiscal 2021/22 year, which includes \$20,000 for Communications work under TAS, \$20,000 for ITC communications work, and \$6,000 for communications associated with LTCs and LPS.

Recruitment costs are budgeted at \$6,000 for the 2021/22 year, which is a reduction of \$2,000 from previous years. Recruitment costs may be reduced in coming years as a more flexible work environment may retain more staff, and relocation costs may be reduced if new hires are not required to reside in particular locations for their job.

Memberships costs are budgeted at \$15,210 for the 2021/22 year, which is a reduction of \$2,100 from previous budget versions. This budgeted figure more closely aligns with actual historical averages and known new membership costs for the coming year.

Notices costs are budgeted at \$21,000 for the 2021/22 year, which is a reduction of \$4,000 from previous budget versions. This budgeted figure more closely aligns with actual historical averages and known new membership costs for the coming year.

Strategic plan projects with budget funding requests reflect the initiatives approved by Trust Council as part of their strategic plan, and amount to \$288,000 (2020/21 - \$296,650), broken down in the following list. Also included in this draft budget is an additional staff-proposed project for heritage overlay mapping for \$30,000 which is currently under review by Executive Committee. This item may be removed or revised at the recommendation of EC and TC in future draft budgets.

- Create a model DPA for LTC-BIM OCP bylaws to protect CDF zones throughout the Trust Area (Strat Plan item #2) - \$5,000
- Continue to map the extent of eelgrass and kelp beds throughout the Trust Area (Strat Plan Item #5) - \$nil (V1-50,000)
- Finish mapping and develop water budgets for groundwater aquifers in the Trust Area (Strat Plan Item 8) - \$50,000
- Develop a model land use regulation regarding freshwater sustainability including groundwater, rainwater catchment and greywater recycling (Strat Plan Item #9) - \$5,000
- Implement actions outlined in TC Strategic Actions and Develop model density bonus bylaws for LTC conisation (Strat Plan item #16) – \$10,000
- Develop set of climate change, demographic + environmental data along with performance criteria (Strat plan item #12) - \$25,000
- Broadcast public meetings (Strat Plan item #13) - \$19,000
- Develop and implement a stewardship education program (Strat plan item # 21) - \$15,000
- Implementation of the Trust Reconciliation Action Plan (Strat plan item #18, 19) - \$17,000
- Amend the Policy Statement project (Strat plan item # 10,16,22,23) - \$10,000
- Develop heritage overlay mapping - \$30,000
- Secretariat Function - \$12,000
- Freshwater Strategy work – completion of phase 1 (Strat plan item #7) - \$30,000
- Prior Year Project carryover: Policy Statement Amendment project, phase 1 – \$10,000
- Prior Year Project carryover: Eelgrass Mapping, phase 1 – \$50,000

Budget funding request business cases for all new strategic and operational initiatives are included in this agenda package for review (see Appendix C). Projects that are prior year carryovers do not have business cases included in this agenda as these cases would have been reviewed and approved in March 2020 with approval of the current year budget. Staff can provide information on project delays as requested.

Surplus funds in Accumulated Surplus are expected to remain healthy due to savings in the current fiscal year which are likely to result in a significantly lower draw from surplus in the current fiscal year than planned. Initial estimates of the balance in the general revenue surplus fund plus the LTC project specific fund at March 31, 2022 are \$1.74M, which is 89% of the recommended minimum balance of \$1.95M.

Key Subject Areas:

Climate action and water resources once again remain key areas of funding in the draft budget, in line with Trust Council's strategic plan.

ATTACHMENT(S):

1. **Report to FPC re: Budget Reductions Briefing + Summary**
2. **Appendix A: Budget 2021/22 Detail**
3. **Appendix B: Summary of Funding Requests**
4. **Appendix C: List of LTC Projects Funded by the LTC-Project Specific Reserve Fund**
5. **Appendix D: Surplus Allocations**

FOLLOW-UP:

As directed by Financial Planning Committee.

Prepared By: Julia Mobbs, Director, Administrative Services
Reviewed By: Russ Hotsenpiller, Chief Administrative Officer/November 16, 2020

To: Financial Planning Committee **For the Meeting of:** November 12, 2020
From: Director, Administrative Services **Date Prepared:** November 4, 2020
SUBJECT: Draft Budget 2021/22 Reduction Options

PURPOSE:

To explore options for reducing the draft 2021/22 budget in response to direction from Financial Planning Committee (FPC).

BACKGROUND:

At its October 2020 meeting, FPC passed the following motion:

That Financial Planning Committee request staff return to the November 12, 2020 meeting with options for a budget that is no more than \$8.3M.

Subsequent to the passing of this motion, at that same meeting, staff clarified with the Committee that the \$8.3M represented total budgeted expenses less planned amortization expense, a non-cash expense.

Islands Trust senior management has reviewed all areas of the budget to determine where areas of potential reduction may be feasible. Discussion of these items and the impact to operations is provided in this report. Any noted savings reflect reductions from Draft 1, Version 1 of the 2021/22 budget. Where amounts have been incorporated into Draft 1, Version 2 of the budget, it is noted. Otherwise, these options are presented for the information of the Committee.

Trust Council E-Meetings

Version 1 of the draft budget incorporated two in-person TC meetings and two electronic meetings for a total cost of \$49,000. This was based on a resolution passed by EC recommending that TC plan their 2021 meetings in this fashion. This recommendation from EC is going to the December TC meeting. In light of this recommendation, no changes to the draft budget have been made to TC meeting logistics. However, should TC decide that more of their meetings be conducted electronically, savings generated would be as follows:

One extra e-meeting (for a total of 3 e-meetings) would generate a savings of \$22,500.

Two extra e-meetings (for a total of 4 e-meetings) would generate savings of \$45,000.

The Chair of Trust Council has stated a desire to conduct electronic TC meetings from the Victoria office board room. There has also been discussion of having a Vice Chair present as well. As such, \$1,000 per meeting has been included in the budget to account for travel, accommodation, and meals costs for these in-person attendees. If the Chair and Vice Chair also attend the meetings remotely, an additional savings of \$4,000 would be generated.

Council Committee E-Meetings

Version 1 of the draft budget assumed that EC, RPC, TPC, and FPC would be conducted partially in-person and partially electronic, with a 50/50 mix. Staff have approached the committees seeking resolutions on how meetings will be conducted into the future, to have more solid information for budget planning purposes. As of the date of this report, the following decisions have been made in regards to this topic:

EC – No decision has been made by EC at this time, however this topic will be debated at their meeting on November 18. The budget has been adjusted assuming RPC will follow the rest of the committees and plan for all electronic meetings. This generates a \$8,000 savings. This savings has been incorporated into Version 2 of the draft budget.

FPC – All meetings will be conducted electronically. This generates a \$2,500 savings. This savings has been incorporated into Version 2 of the draft budget.

TPC – One in-person meeting, all else electronic. This generates no savings over version 1 of the budget, which already incorporated this planned approach.

RPC – No decision has been made by RPC at this time, however this topic will be debated at their November 9th meeting. The budget has been adjusted assuming RPC will follow the rest of the committees and plan for all electronic meetings. This generates a \$1,500 savings. This savings has been incorporated into Version 2 of the draft budget in anticipation of RPC accepting this meeting format.

Total potential savings from these Council Committee changes is \$12,000.

LTC E-Meetings

Version 1 of the budget assumed half of all LTC meetings would be held electronically, and thus assumed travel costs would be incurred by both staff and LTC Chairs to attend the meetings held in-person. If all LTCs agreed to permit staff to attend all meetings electronically, savings could be realized in terms of travel costs as well as overtime costs. If LTC Chairs were to attend meetings electronically, an additional savings for travel expenses is possible. However, chairing an LTC meeting from a remote location with the rest of the Committee and attendees in person may be challenging and may not be a desirable option. As such, no amount has been included for this possibility as an option.

Staff OT impacts are included in the Staff overtime discussion.

Electronic LPS Pro-D Days

Version 1 of the draft budget included \$2,000 for LPS Pro-D days. Should more of these days be conducted electronically, a savings of \$1,500 could be generated. Amounts for honorariums for guest speakers would remain an expense regardless of meeting format, so a full reduction in expense for these meetings is not feasible. This change has been incorporated into version 2 of the draft budget.

All Staff Meetings

Version 1 of the budget funded All Staff Meetings at \$8,000. By committing to hold 3 of the quarter ASMs as virtual meetings, a budget reduction of \$4,000 can be realized. Holding a small amount to ensure staff can get together at least once annually maintains a piece of Islands Trust culture that staff have indicated in previous and current year surveys is important to them in their work satisfaction. As discussion of moving to a more permanent remote workforce is undertaken, ensuring opportunities to connect face-to-face remain is important. As such, some funds remain in the budget for this undertaking. A reduction of \$4,000 has been incorporated into version 2 of the budget.

Real Estate Reductions – Staff Offices

Islands Trust currently leases office space for staff in Victoria, on Salt Spring Island and on Gabriola Island. Senior management at the Trust are exploring the future of work at Islands Trust and how remote working may be incorporated on a more permanent basis. This would create desk sharing opportunities for staff, which would reduce the amount of desk space required, making real estate reduction a possibility. Possible reductions to leased real estate are more easily made at the Victoria office due to the nature of leased space, being one large main office plus three smaller units down the hall. Relinquishing one or more of the smaller units is a possibility that will be examined by senior management staff in coming weeks. Per the existing lease agreement, a three month notice is required to relinquish any space, so in order to realize the full fiscal year savings in next year's budget, a decision on these unit would be required by December 31, 2020. Possible savings from this potential change are as follows:

Bylaw Space, Unit #222 – Cost \$984/month generates annual savings of \$11,805 each year. This would displace three staff members. Releasing this space would result in a one-time penalty in the amount of \$1,379 which would be an expense incurred in the current fiscal period thus not impacting savings in next year's budget or future budgets. It is very likely this space will be released and as such this savings has been incorporated into version 2 of the budget.

Two additional smaller units are leased at the Victoria office for Finance/HR and IS staff. These units cost \$24,836/year and \$30,454/year respectively and currently seat 7 staff members in total. Budget reductions for these units have not been included in version 2 of the budget as senior management has not yet reached a decision on whether or not these units will be released.

Total savings from releasing all three units would be \$67,095.

Office Services

Office services has been reduced to account for less lease space. Adjustments have also been made to align with new rates for snow removal and to remove contingency funds in this category. Total reduction to this expense in version 2 is \$6,900.

Real Estate Reductions – Trustee Offices

On island office space is leased on Deman Island (\$1,700/year), Galiano Island (\$9,700/year), Mayne Island (\$1,200/year), North Pender Island (\$7,600/year), and Saturna Island (\$1,800/year). Any one of these offices could be relinquished; however discussion with impacted trustees should be undertaken prior to these decisions. Staff use these spaces on occasion to meet with members of the public, however these meetings are not frequent in nature. Estimates during non-pandemic operations of the use of these offices by staff reveal that planners use the on-island offices on Mayne, Galiano, and North Pender usually about once per month. Sometimes use is more frequent on North Pender. Saturna is used about 4 to 6 times per year by staff. The use is to hold office hours to meet with members of the public. The office also gets used when the planner has a site visit, or a meeting for part of the day, so the planner can use the office to do work while waiting for the ferry. The Denman office is not used by planners.

Furniture and Equipment

Version 1 of the budget included \$8,000 for furniture and equipment. Given the increase in purchased equipment and supplies for staff in the wake of Covid-19, as well as the conversation around reducing real estate, it can be anticipated that furniture and equipment purchases may be reduced in the coming year. As such, a \$4,000 reduction in the budget has been included in version 2. This will be contingent upon the new working arrangements for staff and whether or not requirements for home office hardware is required for specific situations.

Staff Co-op Positions

Version 1 of the budget funded two co-op positions, one for LPS (GAB) and one for IS. Removing these temporary positions from the budget would generate savings of \$20,007 and \$17,208 respectively.

Not hiring an LPS (GAB) co-op student provides less vacation coverage for staff during the summer months, less assistance with basic applications, and reduced relationship capacity with new students for future recruitment. As the LPS Technician has been brought on staff, the impact of lost vacation coverage capacity and basic application work is mitigated.

Not hiring the IS co-op student may delay the completion of planned upgrades to GIS architecture, but no significant impacts will be felt from this delay. In addition, alternative methods of doing this work are currently being explored which would not require a co-op student to be hired.

New Staff Positions

Version 1 of the budget includes a request to fund a new Bylaw Enforcement Officer, with a total cost of \$91,579 which includes the cost of equipment, training, travel, a mobile phone, as well as base salary and benefits.

Not approving this position would generate savings of the same amount.

Approving the position on a part time basis, such as 60% (3 days per week), would generate savings of approximately \$31,479.

Assuming approval of this position in March 2020, this new hire will likely not begin work until 6 weeks into the new fiscal year (to allow for recruitment), generates a reduction of \$8,586 which has been incorporated into version 2 of the budget.

Staff Overtime Reduction

Version 1 of the budget includes approximately \$79,000 in staff overtime (including benefits costs associated with these payments). A reduction could be made to planned staff overtime costs, however such reductions would require some internal process review and greater prioritization of work tasks by staff and their supervisors to stay within reduced limits. A reduction of some amount would be likely if staff attendance at meetings continues to remain electronic, as there would be reduced travel time for staff to attend LPS Pro-D days, All Staff Meetings, LTC meetings, Committee meetings, and Council meetings. Version 2 of the budget reduces staff overtime by \$24,000. Options for further reduction are possible.

Recruitment

Version 1 included \$8,000 for recruitment purposes. A reduction of \$2,000 has been incorporated in version 2 to bring budgeted figures in line with the historical three year average. Recruitment costs may be reduced in coming years as a more flexible work environment may retain more staff, and relocation costs may be reduced if new hires are not required to reside in particular locations for their job.

Memberships

Version 1 of the budget included \$17,310 for membership costs. This is not in line with actual spending trends and as such reduction is possible. A reduction of \$2,100 has been incorporated into version 2 of the budget to more closely align with the historical 3 year average and actual known membership costs for the coming year.

Notices – Statutory and Non-Statutory

Version 1 of the budget included \$25,000 for notice costs. This is not in line with actual spending trends and as such budget reduction is reasonable, in the absence of rationale to keep this amount at higher levels for specific planned work. A reduction of \$4,000 has been incorporated into version 2 of the budget to more closely align with the historical 3 year average.

Insurance Costs

Insurance was budgeted at the current year renewal cost in version 1 of the budget. As previously mentioned, several claims will drop off the Islands Trust 10 year claims history next year, which may generate more favourable insurance rates. Budgeting with optimism that more favourable rates may be achieved would permit a potential savings of \$16,808 in the budget. This change has not been incorporated into version 2 at this time.

Legal Costs

Legal costs continue to rise in the budget due to increased legal activity associated with litigation, bylaw enforcement, and general legal advice. Litigation costs are largely outside of the control of the Trust, however general legal advice and bylaw enforcement litigation activities are more reasonably impacted by decisions made by staff and trustees in day to day operations. Bylaw enforcement litigation costs continue to rise as Trust Council has requested greater enforcement action. Cost for general legal advice continue to rise as more complex work is undertaken by the Trust requiring greater legal scrutiny. Changes to these activities could be made to accommodate a reduction in costs, the magnitude of which would be purely an estimate. Should legal costs be reduced in the budget and actual costs be significantly higher in the year, surplus funds would be used to fund the overage. For the purposes of this exercise, consideration could be given to reduce legal costs for bylaw enforcement litigation and general legal advice to previous year actual

spending levels (fiscal 2019/20) which would provide a reduction of \$9,525 and \$3,194 respectively, for a total of \$12,719 in savings.

Contingency Funds

Version 1 of the draft budget includes \$12,000 in contingency funding, allocated between Trust Council and management administration. A review of the last four years of actual spending shows contingency funds largely unspent, with two of the four years recording contingency spending at \$2,500 and \$2,700 each related to Trustee training. Contingency funding can be reduced or eliminated in the budget with the understanding that any significant contingencies in the year be funded from surplus funds. There are no negative implications to this change. Contingencies can still be funded at the discretion of the CAO, and would be reported in the area that they relate to. Version 2 of the budget reduces contingency funds to \$5,000.

Islands Trust Conservancy Board

Version 1 of the budget included a funding request from the ITCB totaling \$822,921 for all operations. ITC staff have reviewed this budget and proposed several possible reductions to the funding request including a \$7,000 reduction in communications, a \$2,000 reduction in board training, a \$1,050 reduction in staff training and \$550 in associated travel for a total of \$10,600 in reduced spending. These amounts have not been included in version 2 of the budget as the ITCB has not yet reviewed these staff-proposed change possibilities. Should FPC desire that ITCB conduct this exercise, it would be advisable to pass a motion requesting them to do so.

Local Planning Services

The area most easily reduced in the draft budget for LPS relates to contracted services. Historically this bucket of funds includes amounts of scientific technical work that has been largely unspent in recent years. LPS contracted services could be reduced by \$7,000 if this is removed. This has been incorporated into version 2 of the budget.

Trust Area Services

Version 1 of the budget included \$23,000 for TAS communications work. Staff has determined that a reduction of \$3,000 is feasible, and as such this has been incorporated into version 2 of the budget.

Version 1 also included \$4,000 for contracted services, an unallocated slush fund of monies for potential contract service requirements that arise in the year. Staff has determined that these funds could be removed from the budget and required work normally funded here can be funded from other areas.

Trustee Remuneration CPP

Version 1 of the budget included \$23,810 for Trustee CPP costs. Historical CPP budget calculations have been basic in nature and have not accounted for such things as basic exemption amounts and yearly maximum contributory earnings. Calculations have been adjusted to include these figures, and analysis of the historical rate of actual CPP versus total remuneration has been performed to more accurately budget for this figure. A reduction of \$4,787 has been made in version 2 of the budget to reflect the updated calculation.

SSIWPA

SSIWPA expenses has been reduced by \$10,000 in version 2 of the budget to align with amounts being discussed by the SSIWPA body and the SSI LTC. This is not included in the overall summation of total reductions at the end of this report as this figure also sees a corresponding reduction in revenues for the same amount.

Strategic Plan Projects:

Version 1 of the draft budget funded \$218,000 in strategic plan projects, and \$30,000 for a newly contemplated project not in the strategic plan related to heritage site mapping within the Trust Area. Removing any of these projects would yield savings equivalent to the project budget. If projects are

deferred into future years, future budgets may be increased, and the ability to achieve strategic plans in the Council term may be impacted.

Removing strategic plan projects from the budget is a political decision. However, executive staff understand that the Eelgrass Mapping project has experienced delays and as such may be an area to examine if budget reduction is desirable. The current budget version 2 includes a \$50,000 (phase 1) amount in funds carrying over from the current fiscal year, and removes the original \$50,000 that was included in version 1. This project is being discussed at RPC on their November 9, 2020 meeting and any results will be reported to FPC verbally at the upcoming meeting.

Discussion by Trust Programs Committee yielded no desire to remove or defer any planned projects for fiscal 2021/22.

Discussion by Executive Committee will not take place in advance of FPC and thus no direction on their projects has been received.

SUMMARY

Overall reductions incorporated into the budget are approximately \$166,000 (excludes SSIWPA reduction) which is offset by net increases resulting from project carry overs and other small changes (see Budget Highlights Briefing for details), yielding a budget (excluding amortization expense) of \$8.3M.

ATTACHMENT(S):

1. Budget Reduction Options Summary

FOLLOW-UP:

Staff will incorporate revisions to the draft budget at the direction of the Committee.
Other follow-up as directed by the Committee.

Prepared By: Director, Administrative Services
Reviewed By/Date: Chief Administrative Officer/November 5, 2020

ISLANDS TRUST
Budget Year 2021-22

✓ = relatively easy to implement/low negative impact to operations
 ⊖ = moderately complex to implement/moderate negative impact to operations
 ✕ = highly complex to implement/significant negative impact to operations

Note: Expense areas that have increased in V2 are not included in this summary

		Totals =		(166,393)	(315,995)	
#	ITEM	Implement- ation Rating	Impact Rating	Reduction (incl in V2)	Reduction Options (not in V2)	Total Possible Reduction
1	TC e-meetings, 3 vs 4	✓	⊖	(22,500)	(22,500)	(45,000)
2	EC e-meetings only	✓	✓	(8,000)	-	(8,000)
3	FPC e-meetings only	✓	✓	(2,500)	-	(2,500)
4	TPC e-meetings w/one in-person meeting	✓	✓	-	-	-
5	RPC e-meetings only	✓	✓	(1,500)	-	(1,500)
6	LTC e-meetings for staff and LTC chairs	✓	✓	-	?	-
7	LPS Pro-D days fully electronic	✓	⊖	(1,500)	-	(1,500)
8	All Staff e-Meetings w/one December in-person meeting	✓	⊖	(4,000)	-	(4,000)
9	Real estate reduction - Vic Bylaw unit	✓	✓	(11,805)	-	(11,805)
10	Real estate reduction - Vic Fin/HR unit	⊖	⊖		(24,836)	(24,836)
11	Real estate reduction - Vic IS unit	⊖	⊖		(30,454)	(30,454)
12	Office Services	✓	✓	(6,900)	-	(6,900)
13	Real estate reduction - Trustee office (Denman)	✓	?		(1,700)	(1,700)
14	Real estate reduction - Trustee offices (Galiano)	✓	?		(9,700)	(9,700)
15	Real estate reduction - Trustee offices (Mayne)	✓	?		(1,200)	(1,200)
16	Real estate reduction - Trustee offices (North Pender)	✓	?		(7,600)	(7,600)
17	Real estate reduction - Trustee offices (Saturna)	✓	?		(1,800)	(1,800)
18	Furniture and Equipment	✓	⊖	(4,000)	-	(4,000)
19	LPS Co-op forgone	✓	✓	(20,007)	-	(20,007)
20	IS Co-op forgone	✓	✓	(17,208)	-	(17,208)
21	Bylaw Enforcement Officer - hire date 6 weeks into fiscal year	✓	✓	(8,586)	-	(8,586)
22	Bylaw Enforcement Officer (new) forgone	✓	✕		(82,599)	(82,599)
23	Bylaw Enforcement Officer (new) PT at 60%	✓	⊖		(31,479)	(31,479)
24	Staff overtime reductions	✓	⊖✕	(24,000)	(55,000)	(79,000)
25	Recruitment	✓	⊖	(2,000)	(2,000)	(4,000)
26	Memberships	✓	✓	(2,100)	-	(2,100)
27	Notices - Statutory & Non-Statutory	✓	✓	(4,000)	-	(4,000)
28	Insurance Costs	✓	✓		(16,808)	(16,808)
29	Legal - General Costs	⊖	⊖✕		(9,525)	(9,525)
30	Legal - Bylaw Enforcement Litigation	✓	⊖		(3,194)	(3,194)
31	Contingency Funds	✓	✓	(7,000)	(5,000)	(12,000)
32	ITC - Communications	✓	⊖		(7,000)	(7,000)
33	ITC - Board Training	✓	✓		(2,000)	(2,000)
34	ITC - Staff Training	✓	⊖		(1,050)	(1,050)
35	ITC - Staff Travel for Training	✓	✓		(550)	(550)
36	LPS - Contracted services - Scientific Technical/FN	✓	✓	(7,000)	-	(7,000)
37	TAS - Communications	✓	✓	(3,000)	-	(3,000)
38	TAS - Contracted Services	✓	✓	(4,000)	-	(4,000)
39	Trustee Remuneration - CPP	✓	✓	(4,787)	-	(4,787)
40	Strategic Plan Projects	?	?	-	?	-

ISLANDS TRUST
BUDGET DRAFT: 2021/22

Amt to balance budget, excluding amort =

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		2016/17	2017/18	2018/19	2019/20	2020/21			2021/22	Budget-Budget Comparisons		Budget-Actual Comparisons	
		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET (COVID-19 amended)	Q2 Actuals	Forecast	Draft BUDGET	Budget Change \$	Budget Change %	Draft budget vs 2019/20 Actuals	Draft Budget to 2019/20 Actuals % change
REVENUE													
40300	Fees & Sales	136,863	139,199	166,154	102,051	115,000	68,505	115,000	120,000	5,000	4.3%	17,949	18%
45000	Provincial Grant	177,880	180,000	180,000	180,000	180,000	180,000	180,000	180,000	-	0.0%	-	0%
	ITC Species at Risk Grant Funds					-			205,000	205,000	100.0%	205,000	
46000	Property Tax Levy - LTA	6,249,834	6,312,332	6,312,331	6,696,752	6,783,140	6,783,141	6,783,141	6,783,140	-	0.0%	86,388	1%
2.59%	Property Tax Levy - LTA General Increase			126,247					175,683	175,683	3.5%	175,683	
0.93%	Property Tax Levy - LTA NMC Increase			63,123					63,083	63,083		63,083	
	Property Tax Levy - Bowen	223,418	242,680	293,933	329,634	303,021	303,026	303,026	303,021	-	0.0%	(26,613)	-8%
-5.1%	Property Tax Levy - Bowen General Increase								(15,384)	(12,021)	-4.0%	(15,384)	
1.1%	Property Tax Levy - Bowen NMC Increase								3,364			3,364	
46200	Special LTC Tax Requisition - SSIWPA	110,500	98,500	98,500	98,500	75,500	75,500	75,500	75,500	-	0.0%	(23,000)	-23%
47000	Transfer from LTC Specific		0			71,500			159,000	87,500	122.4%	159,000	
47000	Transfer from General Revenue Surplus Fund		0			429,650			288,000	(141,650)	-33.0%	288,000	
48000	Interest Income	63,629	71,295	104,385	102,281	85,000	16,588	47,213	60,000	(25,000)	-29.4%	(42,281)	-41%
49000	Other income	10,214	16,795	8,692	161,853	-	38,536	192,400	0	-	100.0%	(161,853)	-100%
49001	Grant income - projects	16,965	0	8,329	13,201	12,000	1,158	2,158	8,000	(4,000)	-33.3%	(5,201)	-39%
Total Revenue		6,989,304	7,060,801	7,361,694	7,684,271	8,054,811	7,466,454	7,698,438	8,408,407	353,596	4.4%	724,135	9%
EXPENSES													
50900	Amortization	67,668	92,719	79,978	175,329	140,000	87,154	179,012	218,000	78,000	55.7%	42,671	24%
50950	Applications sponsored by Exec Committee	0	(5,312)	10,050	2,035	5,000	1,000	5,000	5,000	-	0.0%	2,965	146%
50960	History and Heritage Funding Grants-in-Aid	0	0	1,500	4,500	5,000	0	5,000	5,000	-	0.0%	500	11%
51000	Audit	16,825	20,000	23,725	13,725	20,000	(2,000)	20,000	20,000	-	0.0%	6,275	46%
51500	Bank Charges & Interest	3,507	2,553	3,176	4,181	4,000	1,248	2,500	4,000	-	0.0%	(181)	-4%
52500	Board of Variance	138	0	747	1,974	1,100	0	50	1,100	-	0.0%	(874)	-44%
53500	Carbon Offset Purchases	549	(2,678)	300	(922)	500	(622)	0	-	(500)	-100.0%	922	-100%
54000	Committee Meeting Expense - FPC			5,965	2,269	4,918	0	0	-	(4,918)	-100.0%	(2,269)	-100%
54100	Committee Meeting Expense - RPC			3,049	1,526	1,921	0	0	-	(1,921)	-100.0%	(1,526)	-100%
54200	Committee Meeting Expense - TPC			4,973	2,200	1,324	0	0	1,000	(324)	-24.5%	(1,200)	-55%
54300	Cultural Working Group			-	75	2,500	0	1,000	-	(2,500)	-100.0%	(75)	-100%
54500	Communications and ITC Fundraising	23,447	31,292	40,666	16,243	33,000	5,143	29,000	46,000	13,000	39.4%	29,757	183%
54580	FN Protocol Funds			-	1,831	6,000	0	2,502	-	(6,000)	-100.0%	(1,831)	-100%
55105	SW Support and Licensing	41,874	53,025	59,371	64,521	76,700	36,032	76,700	103,900	27,200	35.5%	39,379	61%
55200	Internet	44,183	40,149	48,022	43,895	41,000	23,569	47,000	48,000	7,000	17.1%	4,105	9%
55500	Technical Support	85,429	92,514	74,180	89,251	89,000	56,052	89,000	88,000	(1,000)	-1.1%	(1,251)	-1%
56000	Contingency	0	2,466	48	2,737	12,000	(561)	6,000	5,000	(7,000)	-58.3%	2,263	83%
56500	Contract Services	134,385	294,396	96,265	66,801	58,500	20,712	66,224	45,000	(13,500)	-23.1%	(21,801)	-33%
57000	Elections - General	0	0	125,868	-	-	-	-	-	-	0.0%	-	
57050	Elections - By-elections	0	0	14,997	61	5,000	0	0	-	(5,000)	-100.0%	(61)	-100%
60000	Insurance	107,162	106,422	106,588	119,259	151,385	82,035	173,899	185,000	33,615	22.2%	65,741	55%
61100	ITC - Board Honoraria	4,650	7,600	6,850	7,000	6,600	2,000	2,700	6,600	-	0.0%	(400)	-6%
61200	ITC - Board Meeting Expense	8,618	14,100	11,451	8,982	13,850	11	0	6,925	(6,925)	-50.0%	(2,057)	-23%
61210	ITC - Board Training & Conferences	2,298	1,398	94	3,010	4,000	0	1,000	4,000	-	0.0%	990	33%
61300	ITC - Property Management	59,933	74,589	55,835	61,067	72,000	4,438	48,000	102,810	30,810	42.8%	41,743	68%
61500	ITC - Conservation Planning & Land Securement	20,990	14,577	13,366	12,177	15,000	1,170	19,500	30,000	15,000	100.0%	17,823	146%
61600	ITC - Ecosystem Mapping	0	18,981	22,000	1,449	15,000	0	5,000	20,000	5,000	33.3%	18,551	1280%
62000	Land Title Registrations	4,067	3,546	3,476	3,600	1,500	1,918	4,000	4,500	3,000	200.0%	900	25%
63000	Legal - general	60,345	96,598	73,003	80,475	90,000	35,151	90,001	90,000	(0)	0.0%	9,525	12%
63100	Legal - bylaw enforcement litigation	73,892	63,491	97,524	81,806	85,000	42,312	85,000	85,000	-	0.0%	3,194	4%

ISLANDS TRUST
BUDGET DRAFT: 2021/22

Amt to balance budget, excluding amort =

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		2016/17	2017/18	2018/19	2019/20	2020/21			2021/22	Budget-Budget Comparisons		Budget-Actual Comparisons	
		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET (COVID-19 amended)	Q2 Actuals	Forecast	Draft BUDGET	Budget Change \$	Budget Change %	Draft budget vs 2019/20 Actuals	Draft Budget to 2019/20 Actuals % change
63200	Legal - litigation defence	-109,009	27,100	64,387	89,639	70,000	60,101	90,000	90,000	20,000	28.6%	361	0%
65000	LTC "Trustee Expenses"	9,502	8,857	6,928	4,745	7,610	385	1,200	5,000	(2,610)	-34.3%	255	5%
65050	LTC "Executive Expense on LTC's"	22,155	23,832	18,274	14,458	18,469	480	1,500	12,000	(6,469)	-35.0%	(2,458)	-17%
65200	LTC Meeting Expenses	40,212	37,948	37,579	39,150	28,378	12,479	22,458	36,000	7,622	26.9%	(3,150)	-8%
65210	LTC Local Exp APC Meeting Expenses	7,296	5,190	5,745	8,096	3,632	1,031	2,978	5,400	1,768	48.7%	(2,696)	-33%
65220	LTC Local Exp Communications	3,032	4,693	3,144	5,166	5,000	2,260	6,675	5,000	-	0.0%	(166)	-3%
65230	LTC Local Exp Special Projects	5,735	4,336	3,491	4,648	5,000	0	2,941	5,000	-	0.0%	352	8%
67000	Meeting Expense	126,247	129,426	167,826	136,652	95,718	5,910	15,470	28,500	(67,218)	-70.2%	(108,152)	-79%
67500	Memberships	13,657	14,208	13,406	13,822	16,815	1,770	13,685	15,210	(1,605)	-9.5%	1,388	10%
68100	Notices - Statutory & Non-Statutory	31,714	24,789	19,755	18,085	25,000	3,108	10,000	21,000	(4,000)	-16.0%	2,915	16%
69000	Office - Lease costs	363,604	380,928	387,820	406,751	397,940	197,830	397,940	388,700	(9,240)	-2.3%	(18,051)	-4%
69005	Office - outside services	39,367	39,715	53,754	58,256	60,060	20,184	50,300	58,900	(1,160)	-1.9%	644	1%
70000	Postage, Courier & Delivery	12,976	10,573	10,403	13,164	10,000	4,484	10,000	10,100	100	1.0%	(3,064)	-23%
74000	Recruitment	11,199	8,801	6,471	4,216	8,000	4,097	8,000	6,000	(2,000)	-25.0%	1,784	42%
74900	Safety	4,175	6,096	327	1,548	5,000	4,125	7,000	5,000	-	0.0%	3,452	223%
75100	Sal & Ben - Salaries - Exec/TAS/ITC/Admin staff	1,621,684	1,716,731	1,747,836	1,940,821	2,112,238	1,002,645	4,809,693	2,224,750	112,512	5.3%	283,929	15%
75110	Sal & Ben - Benefits - Exec/TAS/ITC/Admin staff	407,507	413,561	427,874	487,330	531,900	251,846		565,087	33,187	6.2%	77,756	16%
76100	Sal & Ben - Salaries - Planners & RPMs	1,115,822	1,137,665	1,192,741	1,306,864	1,341,960	583,524		1,360,295	18,335	1.4%	53,431	4%
76110	Sal & Ben - Benefits - Planners & RPMs	280,969	274,592	292,343	329,987	344,708	146,593		345,515	807	0.2%	15,528	5%
77100	Sal & Ben - Salaries - Planning Support Staff	353,243	366,740	351,127	390,031	394,741	196,881		485,957	91,216	23.1%	95,927	25%
77110	Sal & Ben - Benefits - Planning Support Staff	89,289	88,450	86,195	97,666	99,898	49,441		123,433	23,535	23.6%	25,767	26%
78100	Sal & Ben - Salaries - Bylaw	214,971	189,439	216,064	200,787	217,565	67,754		278,803	61,238	28.1%	78,016	39%
78110	Sal & Ben - Benefits - Bylaw	54,417	45,636	53,134	50,270	54,160	17,025		70,816	16,656	30.8%	20,546	41%
79000	Stationery & Supplies	50,779	52,256	52,546	47,775	33,000	14,494	28,500	34,200	1,200	3.6%	(13,575)	-28%
79500	Subscriptions	6,405	5,122	6,630	6,627	6,500	1,745	6,000	6,500	-	0.0%	(127)	-2%
80100	Telephone	36,069	18,534	16,945	18,127	14,000	6,395	14,000	11,500	(2,500)	-17.9%	(6,627)	-37%
80300	Mobile Devices	21,741	23,928	25,072	23,511	23,400	12,350	23,400	24,100	700	3.0%	589	3%
81100	Training - Organization-wide	8,837	2,297	3,524	2,886	4,421	0	4,421	3,000	(1,421)	-32.1%	114	4%
81200	Training - staff recognition & meetings	13,472	19,566	16,837	17,529	8,753	774	2,000	4,000	(4,753)	-54.3%	(13,529)	-77%
81300	Training & Conferences	47,000	51,909	41,180	41,723	41,126	8,646	20,328	34,550	(6,576)	-16.0%	(7,173)	-17%
81305	Travel for Training	38,329	37,394	28,590	32,010	26,312	20	3,000	18,385	(7,927)	-30.1%	(13,625)	-43%
82300	Travel	82,370	108,337	74,427	84,624	61,346	10,872	18,399	59,072	(2,274)	-3.7%	(25,552)	-30%
84100	Trustee Remuneration	373,293	383,213	387,062	415,456	518,753	260,977	521,954	528,072	9,319	1.8%	37,335	8%
84110	Trustee Remuneration - CPP Expense	16,107	16,049	15,937	16,345	21,667	9,052	18,105	19,111	(2,555)	-11.8%	2,766	17%
84120	Trustee Remuneration - Health/Dental benefits	40,416	42,753	43,243	43,014	43,558	18,371	37,371	37,598	(5,960)	-13.7%	(5,416)	-13%
84130	Trustee Remuneration - MSP Benefits	31,846	29,627	18,122	13,200	-	-	-	-	-	0.0%	(13,200)	-100%
84140	Trustee Remuneration - Pay in Lieu of benefits	4,000	4,000	3,500	1,333	1,000	500	1,000	1,000	-	0.0%	(333)	-25%
84150	Trustee Remuneration - Employer Health Tax			2,268	9,715	10,135	5,134	10,135	10,317	182	1.8%	602	6%
84500	Trustee Remuneration - Executive on LTCs	69,565	72,045	73,558	75,281	-	-	-	-	-	0.0%	-	-
Operating Budget Subtotal		6,319,953	6,848,759	6,959,130	7,342,368	7,629,561	3,380,043	7,116,540	8,062,707	433,146	5.7%	720,339	10%
CAPITAL													
55100	Computer H/W & S/W	39,809	34,964	98,021	61,750	90,600	90,852	91852.22	29,200	(61,400)	-67.8%	(32,550)	-53%
69100	Office - Equipment & Furniture	14,561	7,730	1,835	3,844	8,000	5,663	8000	4,000	(4,000)	-50.0%	156	4%
69500	Office - Renovations	6,794	3,553	11,101		-			-	-	#DIV/0!	-	
73001-825-8024	Prior Year Project - Electronic Meetings								-	-	#DIV/0!	-	
Capital Subtotal		61,164	46,247	110,957	65,856	98,600	96,515	99,852	33,200	(65,400)	-66.3%	(32,656)	-50%
									3.62%				
PROJECTS													
<u>LTA Projects:</u>													
73001	LTC Projects	58,002	58,406	57,713	33,023	71,500	3,011	48,040	159,000	87,500	122.4%	125,977	381%

ISLANDS TRUST
BUDGET DRAFT: 2021/22

Amt to balance budget, excluding amort = - - - 0

		2016/17	2017/18	2018/19	2019/20	2020/21			2021/22	Budget-Budget Comparisons		Budget-Actual Comparisons	
		ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET (COVID-19 amended)	Q2 Actuals	Forecast	Draft BUDGET	Budget Change \$	Budget Change %	Draft budget vs 2019/20 Actuals	Draft Budget to 2019/20 Actuals % change
	LTC Projects Funded by Grants (590)			0	2,757	12,000	(1,083)	3,917	8,000	(4,000)	-33.3%	5,243	190%
	LTA Work Funded by Special requisition (SWIPPA)	105,894	91,524	96,571	45,256	75,500	30,600	65,000	75,500	-	0.0%	30,244	67%
73001-A	<u>Strategic Plan Projects</u>												
	Create a model DPA for LTC-BIM OCP bylaws to protect CDF zones throughout the Trust Area (Strat Plan item #2)								5,000	5,000			
	Continue to map the extent of eelgrass and kelp beds throughout the Trust Area (Strat Plan Item #5)								-	-			
	Finish mapping and develop water budgets for groundwater aquifers in the Trust Area (Strat Plan Item #8)								50,000	50,000			
	Develop a model land use regulation regarding freshwater sustainability including groundwater, rainwater catchment and greywater recycling (Strat Plan It								5,000	5,000			
	Implement actions outlined in TC Strategic Actions and Develop model density bonus bylaws for LTC consideration (Strat Plan item #16)								10,000	10,000			
	Develop set of climate change, demographic + environmental data along with performance criteria (strat plan item #12)								25,000	25,000			
	Broadcast public meetings (Strat Plan item #13)								19,000	19,000			
	Develop and implement a stewardship education program (strat plan item # 21)								15,000	15,000			
	Implementation of the Trust Reconciliation Action Plan (strat plan item #18, 19)								17,000	17,000			
	Amend the Policy Statement project (strat plan item # 10,16,22,23)								10,000	10,000			
	Develop heritage overlay mapping								30,000	30,000			
	Secretariat Function (Strat Plan item # 21)								12,000	12,000			
	Freshwater stretegy (Strat Plan item #7) - completion of phase 1								30,000	30,000			
*	Prior Year project carry over: Policy Statement Amendment, phase 1								10,000	10,000			
*	Prior Year project carryover - Eelgrass mapping phase 1								50,000	50,000			
	Prior Year Projects	43,523	86,930	113,604	183,357	296,650	83,518	313,873					
73001-B	<u>Operational Projects</u>												
	Salish Sea Conference								-	-			
	Electronic Data Management (EDM)					5,500	3,465	5,500	-	(5,500)			
*	Prior Year project carryover - Photo Management					5,500	1,788	5,500	-	(5,500)			
	<i>Photo Management</i>								-	-			
	<i>Prior Year Project - Electronic Meetings</i>								-	-			
	Projects Total	207,419	236,859	267,888	264,394	466,650	121,299	441,830	530,500	360,500	77.3%	266,106	101%
	Contribution to Surplus												
	Total Expenditures	6,588,536	7,131,865	7,337,974	7,672,618	8,194,811	3,597,857	7,658,222	8,626,407	728,246	8.9%		
	Net Surplus (Shortfall)	400,768	(71,064)	23,719	11,654	(140,000)		40,216	(218,000)				
	Add non-cash Item - amortization					140,000			218,000				
	Surplus (deficit)	400,768	(71,064)	23,719	11,654	(0)	-	40,216	0				
	<u>Adjustments for reporting:</u>												
	Capitalized Expenditures							54,672					
	Transfer from (to) General Revenue Surplus Fund	(400,768)	71,064	(23,719)	(11,654)			(142,928)					
	Transfer from (to) LTC Project Specific Reserve Fund							48,040					
	Net Balance	-	-	-	-	(0)	-	(0)	0				

Islands Trust
Budget Requests Summary

Fiscal Year: 2021/22

Version: Draft 1, Version 2

CATEGORY	DESCRIPTION	AMOUNT
STRATEGIC PLAN	Create a model DPA for LTC-BIM OCP bylaws to protect CDF zones throughout the Trust Area (Strat Plan item #2)	\$ 5,000
	* Continue to map the extent of eelgrass and kelp beds throughout the Trust Area (Strat Plan Item #5)	\$ -
	* Finish mapping and develop water budgets for groundwater aquifers in the Trust Area (Strat Plan Item #8)	\$ 50,000
	Develop a model land use regulation regarding freshwater sustainability including groundwater, rainwater catchment and greywater recycling (Strat Plan Item #9)	\$ 5,000
	Implement actions outlined in TC Strategic Actions and Develop model density bonus bylaws for LTC consideration (Strat Plan item #16)	\$ 10,000
	* Develop set of climate change, demographic + environmental data along with performance criteria (strat plan item #12)	\$ 25,000
	Broadcast public meetings (Strat Plan item #13)	\$ 19,000
	* Develop and implement a stewardship education program (strat plan item # 21)	\$ 15,000
	Implementation of the Trust Reconciliation Action Plan (strat plan item #18, 19)	\$ 17,000
	* Amend the Policy Statement project (strat plan item # 10,16,22,23)	\$ 10,000
	Develop heritage overlay mapping	\$ 30,000
	Secretariat Function (Strat Plan item # 21)	\$ 12,000
	Freshwater strategy (Strat Plan item #7) - completion of phase 1	\$ 30,000
	* Prior Year project carry over: Policy Statement Amendment, phase 1	\$ 10,000
	* Prior Year project carryover - Eelgrass mapping phase 1	\$ 50,000
	Total Strategic Plan Projects	288,000
	STAFFING (Temporary)	<u>ITC Co-op Student (FT, 4 months only)</u>
Salary		12,723
Benefits		3,232
Pacific Leaders Tuition Grant		1,254
Travel		3,252
Mobile Phone		-
Computer - Desktop		1,800
Training		-
		22,260
<u>SAR Program Coordinator (FT, estimated start date April 1, 2021)</u>		
Salary (includes estimated OT)		69,422
Benefits		17,633
Travel		1,000
Mobile Phone		650
Computer - Laptop		2,750
Training	500	
Total New Staff (T) Costs	114,215	
STAFFING (Permanent)	<u>Planner 2 (GAB Office)</u>	
	Remove Planner 1 position (includes estimated OT)	(62,226)
	Add Planner 2 position (includes estimated OT)	72,720
	Benefits cost impact	2,665
		13,159
	<u>Island Planner (GAB Office)</u>	
	Remove Planner 2 position (includes estimated OT)	(69,577)
	Add Island Planner position (includes estimated OT)	82,155
	Benefits cost impact	3,195
		15,773
	<u>Bylaw Enforcement Officer (FT, estimated start date May 15, 2021)</u>	
	Salary (includes estimated OT)	58,267
	Benefits	16,146
	Travel	4,286
	Mobile Phone	617
Computer - Laptop	2,500	
Training	783	
Total New Staff (P) Costs	82,599	
	111,531	

ISLANDS TRUST
Draft Budget 2021/22 D1V2
LTC PROJECTS BUDGET

APPENDIX C

Purpose - to estimate the level of funding required for LTC projects in the fiscal year.

ITEM	LTA	AMOUNT	TOTAL
<u>Specific Projects:</u>			
DPA review	SP	5,000	
Protection of the CDF Ecosystem - PHASE 2	SSI	5,000	
Ganges Village Planning (initiation phase)	SSI	<u>93,000</u>	103,000
<u>Amount per LTC:</u>			
Placeholder	DE	3,000	
Placeholder	GAL	3,000	
Placeholder	GB	3,000	
Placeholder	GM	3,000	
Placeholder	HO	3,000	
Placeholder	LA	3,000	
Placeholder	MAYNE	3,000	
Placeholder	NP	3,000	
Placeholder	SAT	3,000	
Placeholder	SP	3,000	
Placeholder	SSI	3,000	
Placeholder	TH	3,000	
Placeholder	BW	<u>3,000</u>	39,000
RPC OCP REVIEW SUPPORT			17,000
Total LTC Projects budget			<u>159,000</u>

Islands Trust
 Budget 2021/22 D1 V2
 SURPLUS ALLOCATIONS + BALANCES

ALLOCATION OF SURPLUS DRAW TO SPECIFIC EXPENDITURES

	Project/Area	Amount	Area	Bowen Contrib Factor	\$ Credit Included in Bowen Calc
Gen	Amount to fund general operations	-		26.8%	\$ -
Strat	Create a model DPA for LTC-BIM OCP bylaws to protect CDF zones throughout the Trust Area (Strat Plan item #2)	5,000	LPS	0%	\$ -
Strat	Continue to map the extent of eelgrass and kelp beds throughout the Trust Area (Strat Plan Item #5)	-	LPS	0%	\$ -
Strat	Finish mapping and develop water budgets for groundwater aquifers in the Trust Area (Strat Plan Item #8)	50,000	LPS	0%	\$ -
Strat	Develop a model land use regulation regarding freshwater sustainability including groundwater, rainwater catchment and greywater recycl	5,000	LPS	0%	\$ -
Strat	Implement actions outlined in TC Strategic Actions and Develop model density bonus bylaws for LTC consideration (Strat Plan item #16)	10,000	LPS	0%	\$ -
Strat	Develop set of climate change, demographic + environmental data along with performance criteria (strat plan item #12)	25,000	TAS	100%	\$ 25,000
Strat	Broadcast public meetings (Strat Plan item #13)	19,000	LPS-Ad	0%	\$ -
Strat	Develop and implement a stewardship education program (strat plan item # 21)	15,000	TAS	100%	\$ 15,000
Strat	Implementation of the Trust Reconciliation Action Plan (strat plan item #18, 19)	17,000	TAS	100%	\$ 17,000
Strat	Amend the Policy Statement project (strat plan item # 10,16,22,23)	10,000	TAS	100%	\$ 10,000
Strat	Develop heritage overlay mapping	30,000	LPS	0%	\$ -
Strat	Secretariat Function (Strat Plan item # 21)	12,000	TAS	100%	\$ 12,000
Strat	Freshwater stretegy (Strat Plan item #7) - completion of phase 1	30,000	LPS	0%	\$ -
PY	Prior Year project carry over: Policy Statement Amendment, phase 1	10,000	TAS	100%	\$ 10,000
PY	Prior Year project carryover - Eelgrass mapping phase 1	50,000	LPS	0%	\$ -
Total transfer from General Revenue Surplus Fund (GRSF)		288,000			89,000