



Financial Planning Committee Minutes of Regular Meeting

Date of Meeting: January 20, 2021
Location: Electronic Meeting

Members Present: Peter Grove, Chair
Paul Brent, Vice Chair
Laura Busheikin, Regional Planning Committee Representative
Sue Ellen Fast, Executive Committee Representative
Peter Luckham, Executive Committee Representative
Deb Morrison, Trust Programs Committee Representative
Laura Patrick, Executive Committee Representative
Tahirih Rockafella, Local Trustee
Dan Rogers, Executive Committee Representative
Kate-Louise Stamford, Islands Trust Conservancy Board Representative

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

1. CALL TO ORDER

The meeting was called to order at 10:03 a.m. Chair Grove offered gratitude for being able to work and meet on the traditional and treaty territories of the Coast Salish First Nations.

2. APPROVAL OF AGENDA

2.1 New Items and Re-ordering of the Agenda

The following addition was presented for consideration:

- Item 6.1 – Verbal update on Insurance Options

The following re-ordering of the agenda was presented for consideration:

- Agenda item 6.1, Verbal update on Insurance Options, to be addressed before item 5.1;
- Agenda item 5.5 to be addressed immediately following agenda item 5.2.2. Staff noted that the briefing in agenda item 5.5, 'Regional Planning Committee 2021/22 Budget Amendments Pending Receipt of Grant', was meant to be agenda item 5.2.3, Potential Fiscal 2021-22 Grant Funding, and will be addressed at that time.

2.2 Approval of Agenda

By general consent the Committee approved the agenda as amended.

ADOPTED

3. ADOPTION OF MINUTES / COORDINATION

3.1 Minutes of Meetings

3.1.1 Financial Planning Committee Minutes of November 12, 2020

By general consent the Committee approved the minutes as presented.

3.2 Resolutions Without Meeting

None.

3.3 Follow up Action List

Director Mobbs provided a status update to all items that are currently in progress.

4. TRUST COUNCIL BUSINESS

None.

6. NEW BUSINESS

6.1 Insurance Options

CAO Hotsenpiller reminded the Committee of significant increases in insurance premiums and deductibles for Islands Trust. He indicated that he has been working with Director Mobbs to analyze the viability of Islands Trust self-insuring and to determine if Islands Trust could be insured through the Municipal Insurance Association of British Columbia (MIABC). He stated that the MIABC would need to do an analysis to determine if they would provide insurance to the Trust, and if so, at what cost. This analysis would take approximately four weeks and would cost \$7,000 to \$9,000. If Islands Trust is offered insurance with MIABC and accepts, this fee may be returned to Islands Trust by way of reduced insurance costs over the first three years of coverage. CAO Hotsenpiller recommended that this analysis be undertaken.

FPC-2021-001

It was MOVED and SECONDED,

that Financial Planning Committee request staff to enter into an agreement up to \$10,000 to provide an actuaries study for the Municipal Insurance Association of British Columbia to secure the provision of insurance to Islands Trust.

CARRIED

FPC-2021-002

It was MOVED and SECONDED,

that Financial Planning Committee request staff to put on hold the investigation of self-insurance until the conclusion of the work related to the Municipal Insurance Association study.

CARRIED

5. BUSINESS

ADOPTED

5.1 Possible Policy Changes Re: Accumulated Surplus

Director Mobbs presented the briefing, stating that the purpose was to return to a topic of discussion that the Financial Planning Committee (FPC) deferred from the November 12, 2020 meeting. Trustees were directed to the previous briefing 'Possible Policy Changes Regarding Accumulated Surplus', which was presented at their November meeting, for discussion. The briefing describes the use of accumulated surplus funds at Islands Trust and discusses alternatives for possible policy changes regarding these funds but did not make any recommendations.

The FPC passed the following resolution at the November 12, 2020 meeting:

FPC-2020-056

It was MOVED and SECONDED,

that the motion 'that Financial Planning Committee request staff provide a recommendation in regards to the minimum balance of the general surplus of 15% - 20% and the ramifications thereof' be postponed for consideration to the January 2021, Financial Planning Committee meeting.

Topics discussed included:

- The time of year that is most appropriate to measure surplus and liquid resources for purposes of determining the adequacy of Policy regarding minimum surplus balance.
- The current use of surplus funds for Islands Trust budgeting, and how using surplus funds to cover ongoing operations could create the need for significant tax increases in future years.
- Whether or not the current surplus balances put Islands Trust at risk of running out of liquid resources to cover operations. Staff indicated this is currently not a risk.
- The risk tolerance level of Trust Council is largely unknown to staff, which would inform any recommendations on changes to minimum surplus balances in Policy.

FPC-2021-003

It was MOVED and SECONDED,

that Financial Planning Committee request staff to recommend changes to policy 6.5.1 for review by Financial Planning Committee.

CARRIED

FPC-2021-004

It was MOVED and SECONDED,

that staff provide a sensitivity analysis to show the impact of revising the minimum balance of the general surplus percentage to 15% and 20% of annual expenses.

CARRIED

5.2 2021/22 Budget: Draft 2, Version 1

ADOPTED

5.2.1 Changes to the Draft 2021/2022 Budget

Director Mobbs presented the Briefing, indicating that it was to inform the FPC of changes made to the draft 2021/22 budget since it was last reviewed by Trust Council in December 2020. Major changes included updates for resolutions passed by Trust Council in December, resolutions passed by the Salt Spring Island Local Trust Committee, and updates for new data provided by BC Assessment. Further revisions will be incorporated based on upcoming third quarter forecast figures and the draft 2021/22 budget will be brought forward again to the next FPC meeting in February.

5.2.2 Surplus Funds Allocation

Director Mobbs presented the document for information.

5.2.3 Potential Fiscal 2021/22 Grant Funding

Director Marlor presented the briefing, indicating that the Regional Planning Committee is requesting amendments to the draft 2021/22 budget subject to approval of grant funding from the provincial Healthy Watersheds Initiative. This potential grant could provide funding for a number of Islands Trust projects already identified as top priorities for Trust Council and/or Local Trust Committees that relate to the Freshwater Sustainability Strategy and to Reconciliation. Director Marlor indicated that given the grant funding approval has not been confirmed at the time of the meeting, the briefing is presented for information only, but could result in budget changes in the event that the grant approval is received.

The Committee recessed at 11:55 a.m and reconvened at 12:30 p.m.

5.3 2021/22 Budget Consultation

Director Frater introduced the 2021/22 Budget Public Consultation Briefing, indicating that staff are seeking endorsement from FPC for the draft survey for the 2021/22 budget consultation program. Trustees requested edits for clarity and to add additional information.

5.4 Property Tax Notice Insert

Director Frater presented the briefing, indicating that staff were requesting feedback from the Committee on the draft Islands Trust tax notice insert for 2021/22. It was noted that this will be the first time that Islands Trust will provide a Rural Tax Notice insert in the mailing of Rural Property Tax Notices by the Ministry of Finance. Trustees expressed a desire for clarity in the insert to indicate that Local Planning Services provides more than just application processing as it includes work in relation to climate change, freshwater, and First Nations reconciliation and noted that the information regarding Natural Area Protection Tax Exemption Program (NAPTEP) could be more appealing.

5.5 Regional Planning Committee 2021/22 Budget Amendments Pending Receipt of Grant

This item was addressed as 5.2.3.

ADOPTED

7. TOWN HALL & DELEGATIONS

None.

8. NEXT MEETING

Wednesday, February 17, 2021, from 10:30 a.m. to 3:00 p.m.

9. ADJOURNMENT

By general consent the meeting adjourned at 12:57 p.m.

Peter Grove, Chair

Certified Correct:

Robert Barlow, Legislative Services Clerk/Recorder