



Financial Planning Committee Minutes of Regular Meeting

Date of Meeting: February 16, 2022
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
Laura Patrick, Executive Committee Representative
Tim Peterson, Trust Programs Committee Alternate 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
Clare Frater, Director, Trust Area Services
David Marlor, Director, Local Planning Services
Nancy Roggers, Finance Officer
Robert Barlow, Legislative Services Clerk/Recorder

Others Present: Four members of the public

1. CALL TO ORDER

The meeting was called to order at 10:32 a.m. Chair Grove expressed gratitude to be able to live and work on the traditional lands of the Coast Salish peoples.

2. APPROVAL OF AGENDA

2.1 New Items and Re-ordering of the Agenda

The following material was presented for consideration as late items:

- Item 8.3.1.1 – Changes to the Draft 2022/23 Budget Briefing
- Item 8.3.3 – FPC-Recommended 2022/23 Budget – Overview and Highlights Briefing
- Item 8.4.1 – Five Year Financial Plan – attachment to Financial Plan Bylaw No. 185

2.2 Approval of Agenda

By general consent the Committee approved the agenda as amended.

ADOPTED

3. PUBLIC COMMENT PERIOD

Peter Kukieliski of Mayne Island spoke about advocacy, freshwater availability and attracting tourists. Mairead Boland of Saturna Island spoke about the budget survey results.

4. DELEGATIONS

None.

5. CORRESPONDENCE

5.1 2022-01-18 Marjorie Gang

Received for information. Trustee Rogers indicated that he had responded to Marjorie Gang and will forward his response to the Committee.

6. ADMINISTRATIVE COORDINATION

6.1 Draft Minutes of Previous Meetings

6.1.1 Financial Planning Committee Draft Minutes of January 19, 2022

By general consent the Committee approved the minutes as presented.

6.2 Resolutions Without Meeting

None.

6.3 Follow up Action List

Director Mobbs provided status updates to items that had a target date of February 16, 2022:

- Trust Council Policy 6.5.1 Reserves and Surplus – to be reviewed at the current meeting.
- Highlighting Islands Trust Conservancy (ITC) information in the budget material to be presented to Trust Council – will be updated in the Trust Council agenda package.
- The Denman Island Local Trust Committee request for Trust Council to consider adding a full time staff position to the 2022/23 fiscal year budget for electronic meeting support – to be reviewed at the current meeting.
- Trust Council Policy 7.2.1 Trust Remuneration – Planned review for FPC's June 1 meeting.

7. BUSINESS - OTHER

7.1 December 31, 2021 Financial Report

ADOPTED

Finance Officer Rogers presented the report, indicating that Islands Trust is generally following the financial plan for 2021/22.

FPC-2022-006

It was MOVED and SECONDED,

that Financial Planning Committee forward the December 31, 2021 Financial Report to Trust Council for approval as presented.

CARRIED

7.2 2021/22 Financial Forecast

Finance Officer Rogers presented the briefing that provides the Committee with an overview of forecasted financial performance to the end of the current fiscal year. Committee discussion included:

- A recognition that grant funding does not include monies for additional administrative costs required to support the additional work that takes place to achieve the project deliverables.
- Confirmation that the eelgrass mapping project is complete.

FPC-2022-007

It was MOVED and SECONDED,

that Financial Planning Committee forward the 2021/22 Financial Forecast briefing to Trust Council for information.

CARRIED

7.3 Property Tax Notice Insert

Director Frater introduced the briefing, and sought comment from the Committee on the draft Islands Trust tax notice insert for 2022/23. The Committee suggested a number of edits to the draft that will be incorporated and presented to the Executive Committee for approval.

8. BUSINESS – WORK PROGRAM ITEMS

8.1 Requirement for Additional Administrative Resources

CAO Hotsenpiller introduced the briefing that recommends additional administrative resources be allocated in the 2022/2023 budget. CAO Hotsenpiller noted that no additional administrative, financial, or personnel resources have been provided to the administrative or corporate services functions of the Trust for over ten years, despite other areas of the organization growing. Committee discussion included:

- the need to review processes, procedures and policies with the view to find specific suggestions to make them more efficient and effective
- an acknowledgement that local governments received extra funding from the Province during the Provincial Health Emergency but Islands Trust did not
- a note that taxation has not increased but the workload has

ADOPTED

- commentary noting that there is no resource capacity to deal with times when positions are vacant; no contingency labour support

8.2 Public Feedback on Draft 2022/23 Budget

Director Frater introduced the briefing, noting the increased number of responses as compared to previous years. She also noted that the survey results could not be considered statistically reliable as participation is self-selected and there was no ability to limit the number of times an individual can respond. Committee discussion included:

- a need to consider budget principles, particularly in regards to over-promising and under-delivering rather than creating a budget that reflects “what we can do rather than what we want to do”
- Islands Trust communities are going through extreme change as a result of property value changes
- the number of residents in the Trust Area has increased but the number of residents who rent their homes has decreased
- as engaged or motivated people complete surveys but others do not, there is a need to consider a manner to reach those others who are less engaged or motivated to complete a survey
- there was a concerted effort by some community organizations that provided the public with inflammatory statements, misinformation and have conflated the Policy Statement Amendment Project with the budget approval process

Committee recessed at 11:59 a.m. and returned at 12:32 p.m.

8.3 2022/23 Budget Recommendation to Trust Council

8.3.1 Trust Council Budget Session

8.3.1.1 Changes to the Draft 2022/23 Budget – Late Item

Director Mobbs provided highlights of the briefing that informed the Committee of changes made to the draft 2022/23 budget since it was last reviewed by the Committee. She noted that the Salt Spring Island Local Trust Committee (SSILTC), confirmed the amount they wish to request as special property tax requisition for the ongoing work of SSIWPA at their meeting of February 15, 2022. FPC discussion included:

- SSILTC is waiting for additional information about the SSIWPA before they make a resolution in this regard.
- Staff clarified that unspent budgeted funds for a project in one year are automatically rolled into General Surplus Fund (GSF) and that if the project is continuing in the following year the funds will be withdrawn from the GSF.
- Staff noted that GSF funds are often used for areas that Bowen Island Municipality (BIM) does not contribute to, such as election expenses, and this contributes to the apparent inverse relationship

ADOPTED

with BIM and LTC taxes in that as one increases, the other may decrease.

- Staff confirmed that the resolution to first allocate surplus funds to projects impacting the BIM calculation to alleviate increased pressure on the BIM contribution to the budget has been acted on.

The Committee returned to agenda item 8.1, Requirement for Additional Administrative Resources

It was MOVED and SECONDED,

that Financial Planning Committee recommend to include in the budget and forward to Trust Council the requirement for additional administrative resources.

FPC-2022-008

It was MOVED and SECONDED,

that Financial Planning Committee postpone the motion “that Financial Planning Committee recommend to include in the budget and forward to Trust Council the requirement for additional administrative resources” to later in the meeting.

CARRIED

8.3.1 Trust Council Budget Session

Director Mobbs indicated the purpose of the agenda item was to seek suggestions and/or direction from Financial Planning Committee on suggested format and delivery of the March 2022 Trust Council budget session. Discussion included a suggestion to approach the business cases at the Trust Council meeting as a consent agenda, whereby Trustees identify individual line items or business cases that they wish to have a specific discussion about

8.3.2 Budget Assumptions and Principles

Director Mobbs indicated that the briefing would be a reminder to Trust Council of the assumptions and principles that Trust Council has adopted.

8.3.3 Budget Overview

Director Mobbs introduced the late item draft briefing from FPC to Trust Council: FPC-Recommended 2022/23 Budget – Overview and Highlights, indicating that it is the financial plan that FPC recommends to Trust Council for approval and adoption. Discussion included:

- a correction that there is an increase of 0.6 new staff and not an increase of six new staff
- the 0.6 new staff is for Conservancy fund development
- the role of the FPC is to present a recommended budget to Trust Council and Trust Council can make changes to that recommended budget
- concern about planning to work on more initiatives and projects than likely will be achievable in the fiscal year and the impact that will have on future

ADOPTED

budgets such as relying on using surplus to fund projects that were not started or completed within the budgeted fiscal year

- the reporting of a budget increase is misleading as a significant part of the budget increase is as a result of receiving \$768,500 grant funds and therefore those expenses that will be incurred only as a result of, and will be paid by, those grant funds
- the possibility of a hiring freeze and substantial reduction or deletion of projects
- the recommended Islands Trust budget indicates a tax increase of 2.3% and tax increase in other local governments is in the range of 5%-15% increase
- it was noted that grant funded projects do not include additional funding to pay for the increase in administrative work required by Islands Trust staff to develop and administer the grants

FPC-2022-009

It was MOVED and SECONDED,

that Financial Planning Committee amend the recommended budget by removing the Climate Change Indicators Project of \$25,000.

CARRIED

The postponed motion was then brought forward for discussion:

It was MOVED and SECONDED,

that Financial Planning Committee recommend to include in the budget and forward to Trust Council the requirement for additional administrative resources.

Committee discussion included:

- the potential impact to Bowen Island Municipality
- whether the funds would be limited to a particular division of the organization such as Administrative Services or Local Planning Services
- capacity of administrative resources can be increased by improving processes
- if the motion were carried, a business case would be developed to provide to Trust Council

FPC-2022-010

It was MOVED and SECONDED,

that Financial Planning Committee amend the budget to include \$100,000 for administrative support as per the CAO briefing of February 16th with \$50,000 allocated to Local Planning Services and \$50,000 for general administration and the general administration portion be funded out of surplus.

CARRIED

Trustee Brent was Opposed

ADOPTED

FPC-2022-011

It was MOVED and SECONDED,

that Financial Planning Committee withdraw the motion: “that Financial Planning Committee recommend to include in the budget and forward to Trust Council the requirement for additional administrative resources”.

CARRIED

FPC-2022-012

It was MOVED and SECONDED,

that Financial Planning Committee forward the Draft 2022/23 Budget Package as amended to Trust Council for review and approval.

CARRIED

Trustee Brent was Opposed

8.4 Draft Ministry Bylaws for Trust Council

8.4.1. Financial Plan Bylaw No. 185

Director Mobbs introduced the draft RFD from FPC to TC, including the Five Year Financial Plan attachment provided as a late item, and noted that changes made to the budget at the meeting will be incorporated into a revised version for Trust Council review.

FPC-2022-013

It was MOVED and SECONDED,

that Financial Planning Committee forward Bylaws 185 and 186 to Trust Council for approval.

CARRIED

Trustee Brent was Opposed

Trustee Rockafella left the meeting at 1:53 p.m.

8.5 Trust Council Policy 6.5.1 Reserves and Surplus

Director Mobbs introduced the RFD, indicating that the purpose is to provide an overview of recommended amendments to TC policy 6.5.1 Reserves and Surplus for consideration by Committee. Discussion included:

- concern about size of the March TC meeting agenda and whether this item could be brought forward to the June TC meeting instead
- potential amendments to purpose of the General Revenue Surplus Fund

FPC-2022-014

It was MOVED and SECONDED,

that Financial Planning Committee postpone the agenda item “that FPC forward the proposed amendments to Trust Council Policy 6.5.2 Reserves and Surplus to Trust Council” to an upcoming Financial Planning Committee meeting.

CARRIED

ADOPTED

9. BUSINESS - NEW

None.

10. WORK PROGRAM

10.1 Current Work Program

Director Mobbs presented the current Work Program which was approved by Trust Council.

10.2 Recommended Work Program

Director Mobbs presented the recommended Work Program.

FPC-2022-015

It was MOVED and SECONDED,

that Financial Planning Committee approve the Work Program as amended and forward to Trust Council.

CARRIED

11. NEXT MEETING

Friday, June 1 from 10:30 a.m. to 3:00 p.m. It was noted that the Audit Committee will be meeting from 10:00 a.m. to 10:30 a.m. on that date.

12. ADJOURNMENT

By general consent the meeting adjourned at 2:11 p.m.

Peter Grove, Chair

Certified Correct:

Robert Barlow, Legislative Services Clerk/Recorder