

# AGENDA

## FINANCE AND GOVERNANCE STANDING COMMITTEE Monday, October 21, 2019 10:00 to 11:30 am COMMITTEE ROOM #2

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### 1. REGULAR MEETING SCHEDULE (attachment)

Confirmation of the regular meeting schedule as per Section 85(a) of the Council Procedure Bylaw 2015, 9321

*Schedule of Regular Committee Meetings/Advance Public Notice of Meetings*

*85. (a) At the first meeting after the appointment annually by the Mayor or Council, as the case may be, each committee shall establish a regular schedule of meetings including the date, time and place of the committee meetings.*

Memo dated October 3, 2019 from the Administrative Assistant to the CAO (attachment)

### 2. REVIEW TERMS OF REFERENCE

- Discussion (attachment)

### 3. TRIMESTER REPORTS

- a. T1 – Period ending April 30, 2019
- b. T2 – Period ending August 31, 2019

### 4. PUBLIC ENGAGEMENT ON THE FINANCIAL PLAN

- Report of the Director of Finance dated October 10, 2019 (attached)

### 5. PERMISSIVE TAX EXEMPTION POLICY – Verbal Update

- Excerpt of Minutes – Committee of the Whole – May 13, 2019 (attached)

### 6. UPDATE FROM WORKING GROUPS

#### a. Advisory Committee Working Group

Report from Mayor Haynes, Councillors Mersereau and deVries dated October 9, 2019 (attached)

#### b. Grants Working Group

Report from Mayor Haynes, Councillors Mersereau and deVries dated October 9, 2019 (attached)

(i) Memo of Director of Finance dated August 8, 2019 (Appendix A)

(ii) Council Policy – Saanich Community Grants Program (Appendix B)

### 7. CORRESPONDENCE

- a. Art Beck – September 8, 2019

\*\*\* ADJOURNMENT \*\*\*

# Memo

**To:** Finance and Governance Standing Committee  
**From:** Jennifer Downie, Administrative Assistant  
**Date:** October 3, 2019  
**Subject:** 2020 Meeting Schedule

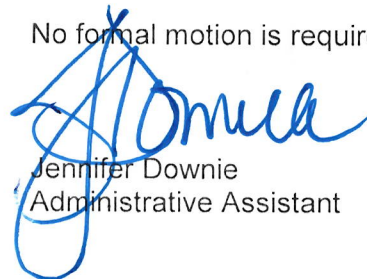
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As per Section 85(a) of Council Procedure Bylaw 2015, No.9321, each committee shall establish a regular schedule of meetings including the date, time and place of the committee meetings.

Below is the proposed quarterly meeting schedule for 2020. All meetings will be held in Committee Room No. 2:

Monday, January 20, 2020 – 10:00 am to 11:30 am  
Monday, April 20, 2020 – 10:00 am to 11:30 am  
Monday, July 20, 2020 – 10:00 am to 11:30 am  
Monday, October 19, 2020 – 10:00 am to 11:30 am

No formal motion is required to approve this schedule, committee consensus will suffice.



Jennifer Downie  
Administrative Assistant

# Mayor's Standing Committee on Finance & Governance

## Terms of Reference

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The Mayor's Standing Committee on Finance & Governance is established in accordance with Section 141 of the *Community Charter*. The standing committee will make recommendations to Council on items related to corporate governance and financial administration.

### Mandate

In order to increase the transparency and financial sustainability of the District of Saanich, the committee will make recommendations on:

- Council and committee governance and meeting procedures.
- Corporate and financial controls, policies and reporting.
- Audit planning and compliance.

The committee may engage the public, stakeholders and subject matter experts as necessary to develop its recommendations.

The standing committee may establish sub-committees or working groups to address specific issues of finance and governance of the District of Saanich (For example on community grants, code of conduct policy, advisory committees of Council, etc).

### Meetings

- The committee will meet at least four times per year and may hold special meetings as required at the call of the Chair.
- The agenda will be finalized in consultation between staff and the Committee Chair and any committee member may request that a matter be placed on the agenda.
- The procedure for meetings will be held in accordance with Saanich's Council Procedure Bylaw.
- A quorum is a majority of the committee membership and is required to conduct committee business.

### Membership

- Committee members will be members of Council.
- The Mayor will appoint the Chair and committee members on an annual basis.
- The Mayor will sit on the committee self-appointed.

### Staff Support

The Administration and Finance departments will provide the required professional support, noting that additional support may be required from relevant departments.

The Administration department will provide secretarial and administrative support.

### Timeline

The Committee will report out to Council following its meeting.



# District of Saanich

## 1<sup>st</sup> Trimester Results Report

January 1, 2019 to April 30, 2019

Results reporting is prepared on a trimester basis by the District of Saanich as a means of providing the community, council and the organization with regular information on the strategic and financial performance of the municipality.

The Trimester Results Report provides information on:

1. Strategic Report
2. Operational Results
3. Capital Program Results
4. Investment Analysis
  - Diversity
  - Liquidity
  - Return
5. Procurement Results
  - % of procurement processes with more than one bidder
  - Procurement
6. Building Permit Statistics

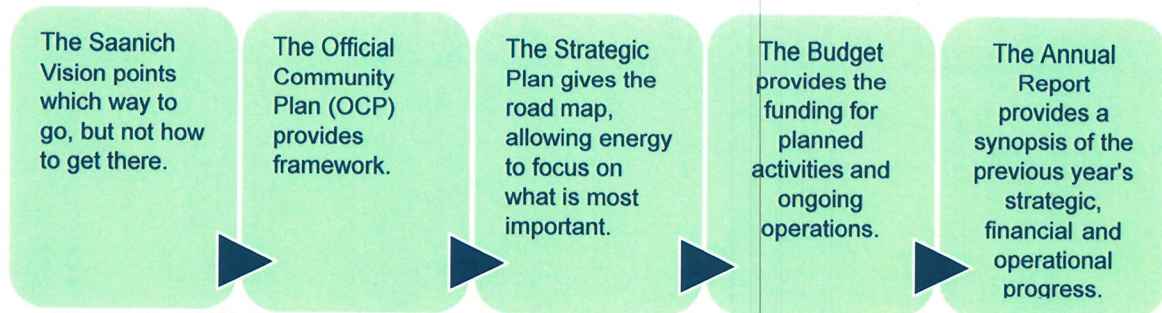




# Saanich Strategic Report

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Council is guided by the Saanich Vision of a healthy, natural environment, social well-being and economic vibrancy for current and future generations. To make the vision a reality requires that we achieve the goals we set – by undertaking specific, identified actions. Our Strategic Plan acts as the road map that provides the information and direction needed to make rational informed decisions, set priorities, allocate resources, provide programs and services, and address strategic issues facing the municipality, now and into the future.



Council is in the process of developing its 2019-2022 Strategic Plan. Future trimester reports will include information on the progress undertaken towards the initiatives and goals.

# Operational Results

## District of Saanich - 2019 1st Trimester Performance Report Operating Budget Results - January 1 to April 30 (Represents 1/3 or 33% of the year)

Overall results for the period are positive, with revenues on target or better and expenditures in line with expected utilization of budgets.

Revenues:	2018 Actual	2019 Actual	Annual Budget 2019	2019 Budget Remaining	% Revenue Collected	
Property Taxation	0	0	(127,814,700)	(127,814,700)	0%	1
Utility Tax and Other	(16,900)	(16,900)	(1,641,000)	(1,624,100)	1%	1
Water Utility Revenue	(5,533,800)	(5,642,900)	(22,438,900)	(16,796,000)	25%	
Sewer Utility Revenue	(6,761,700)	(7,579,100)	(23,641,700)	(16,062,600)	32%	
Planning & Inspection Revenues	(1,359,800)	(1,162,800)	(2,840,800)	(1,678,000)	41%	2
Recreation Revenues	(4,874,600)	(4,965,200)	(12,420,400)	(7,455,200)	40%	3
Grants In Lieu	0	0	(2,655,900)	(2,655,900)	0%	1
Provincial Grants	0	0	(1,500,000)	(1,500,000)	0%	1
Interest and Penalties	(338,700)	(315,300)	(2,057,900)	(1,742,600)	15%	4
Surplus Appropriations	0	0	(2,217,800)	(2,217,800)	0%	1
Other Revenues	(35,700)	208,500	(299,400)	(507,900)	-70%	5
<b>Total Revenue</b>	<b>(18,921,200)</b>	<b>(19,473,700)</b>	<b>(199,528,500)</b>	<b>(180,054,800)</b>	<b>10%</b>	

Expenditures:	2018 Actual	2019 Actual	Annual Budget 2019	2019 Budget Remaining	% Expenditure Spent	
Administration	741,600	756,700	2,777,900	2,021,200	27%	
Finance - Departmental	1,286,600	1,202,100	3,841,100	2,639,000	31%	
Finance - Corporate	74,900	542,300	932,600	390,300	58%	1
Fiscal Services	1,573,100	1,634,700	7,734,800	6,100,100	21%	2
Corporate Services	2,729,600	2,795,800	7,976,300	5,180,500	35%	
Building, Bylaw, Licensing & Legal	787,000	954,800	3,686,800	2,732,000	26%	
Police Protection	13,640,800	10,609,100	36,945,200	26,336,100	29%	
Fire Protection	5,757,200	5,997,400	19,040,400	13,043,000	31%	
Emergency Program	127,100	136,900	453,900	317,000	30%	
Planning	966,200	1,073,300	3,372,500	2,299,200	32%	
Engineering and Public Works	3,427,800	3,318,300	13,030,500	9,712,200	25%	3
Parks	2,154,000	2,259,300	7,502,400	5,243,100	30%	
Recreation	7,220,200	6,925,600	22,997,100	16,071,500	30%	
Cultural	2,632,300	2,775,200	7,529,800	4,754,600	37%	
Water Utility Expenditure	3,458,400	4,121,600	14,769,300	10,647,700	28%	
Sewer Utility Expenditure	1,550,100	1,780,100	18,281,700	16,501,600	10%	4
Capital Program (tax and fee funded only)	135,300	209,500	28,656,200	28,446,700	1%	5
<b>Total Expenditures</b>	<b>48,262,200</b>	<b>47,092,700</b>	<b>199,528,500</b>	<b>152,435,800</b>	<b>24%</b>	
<b>Revenues minus Expenditures</b>	<b>29,341,000</b>	<b>27,619,000</b>	<b>-</b>	<b>(27,619,000)</b>		

Explanatory notes for variances over 5%

#### REVENUES:

- 1 *Property Taxation / Utility Tax / Grants In Lieu and Provincial Grants (0% collected)* – All taxation and grants from various government entities occur in the second trimester
- 2 *Planning & Inspection Revenues (41% collected)* - Higher than budgeted developments in progress.
- 3 *Recreation Revenues (40% collected)* - Higher revenues in realized in first trimester which is then offset with reduced revenues in second trimester when shutdowns occur for facility maintenance
- 4 *Interest and Penalties (15% collected)* - Higher interest rates and implementation of the new investment policy generated increase in revenue.
- 5 *Other Revenues (70% spent)* - Exchange cost due to purchase of US \$ currency to pay for Fire truck.

#### EXPENSES:

- 1 *Finance - Corporate (58% spent)* - Higher than usual expense increase due to payment of deposit for BC Hydro lands from contingency.
- 2 *Fiscal Services (21% spent)* - Debt payments in line with last year. Transfer of funds to IT Replacement Reserve occurs in second trimester.
- 3 *Engineering & Public Works (25% spent)* - Seasonal work with higher costs occurs in the second trimester
- 4 *Sewer Utility Expenditure (10% spent)* - Operating costs in line with last year. Payment to CRD constitutes 70% of budget and it occurs in the second trimester.
- 5 *Capital Program (1% spent)* - Transfer of funds for capital infrastructure funding occurs in second trimester.



# Capital Program Results

## District of Saanich - 2019 1st Trimester Performance Report Capital Program Results

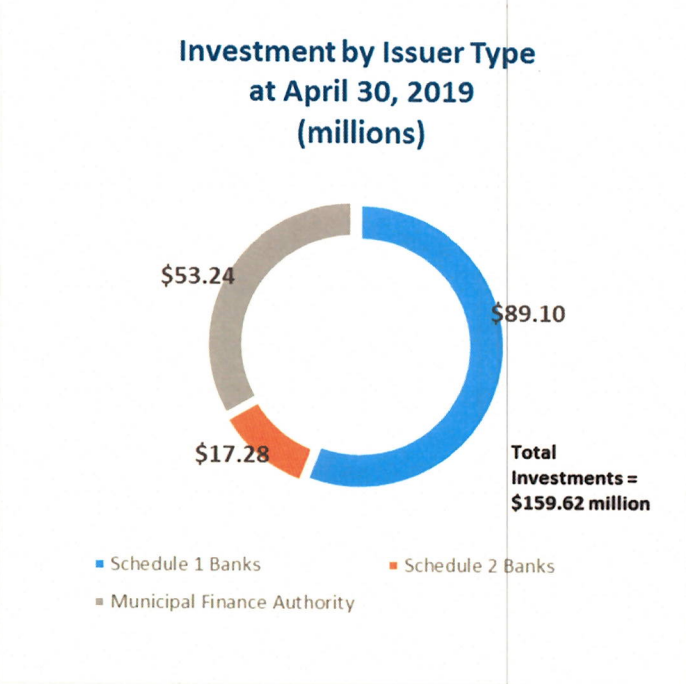
Projects budgeted over \$1,000,000

Capital Project	Original 2019 Budget	Budget Transfers	Revised 2019 Budget	Actual	Percent Spent	Schedule Status	Budget Status
IT Infrastructure Upgrades	1,163,560	0	1,163,560	17,086	1%	☑	☑
IT Network replacement - Phase 1	1,232,500	0	1,232,500	885,582	72%	☑	☑
Wilkinson Rd (SIDES)	1,305,000	0	1,305,000	381,299	29%	☑	☑
North Dairy (Shelbourne Trunk)	1,305,000	0	1,305,000	1,181,160	91%	☑	☑
Fire Hall #3 - Building Renovation	1,334,120	0	1,334,120	399,133	30%	☑	☑
Telephone System Upgrade	1,525,000	0	1,525,000	1,109,487	73%	☑	☑
Finnerty Rd (McKenzie-Arbutus)	1,590,490	0	1,590,490	63,830	4%	☑	☑
SCP - Mechanical Upgrades	1,600,000	0	1,600,000	2,475	0%	☑	☑
Sanitary Sewer CIPP Lining	1,605,183	0	1,605,183	1,221,709	76%	☑	☑
Jamaica, Parkside, Winchester	1,664,600	0	1,664,600	6,154	0%	☑	☑
Network Upgrade	1,802,300	0	1,802,300	1,220,113	68%	☑	☑
West Saanich Rd Streetscape	1,920,000	0	1,920,000	-	0%	☑	☑
Asphalt Overlay Program	2,000,000	0	2,000,000	21,178	1%	☑	☑
3500 Blanshard St. Renovation	2,100,000	0	2,100,000	1,872	0%	☑	☑
Sidewalk Installation Program	2,762,700	0	2,762,700	-	0%	☑	☑
West Saanich/Prospect Lk/Sparton Rd	2,800,000	0	2,800,000	50	0%	☑	☑
Shelbourne Street Improvement Project - Ph1	9,958,000	0	9,958,000	478,760	5%	☑	☑

☑	On target
■	Caution
👉	Delayed

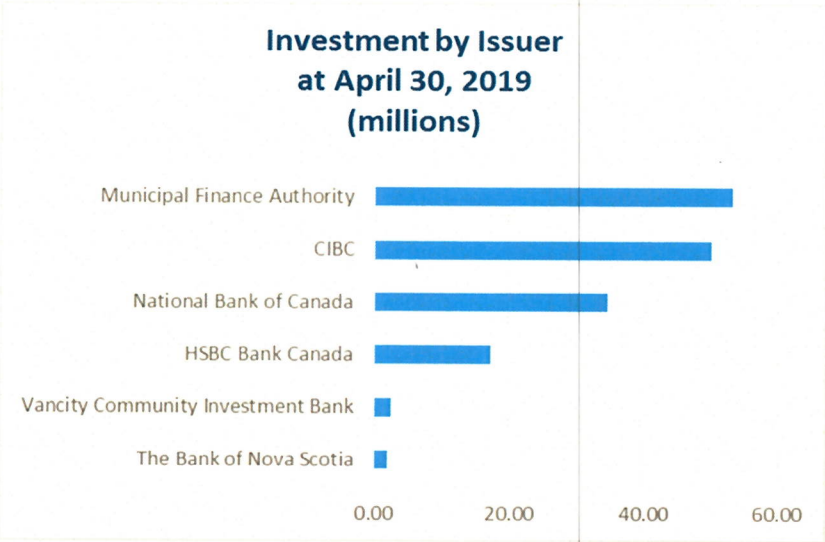
# Investment Analysis

The District of Saanich invests public funds in a prudent manner in accordance with the Council Investment Policy. The investment portfolio is currently valued at \$159.6 million. Most of these funds are either held for specific capital programs or are invested until needed to pay current operating expenses.



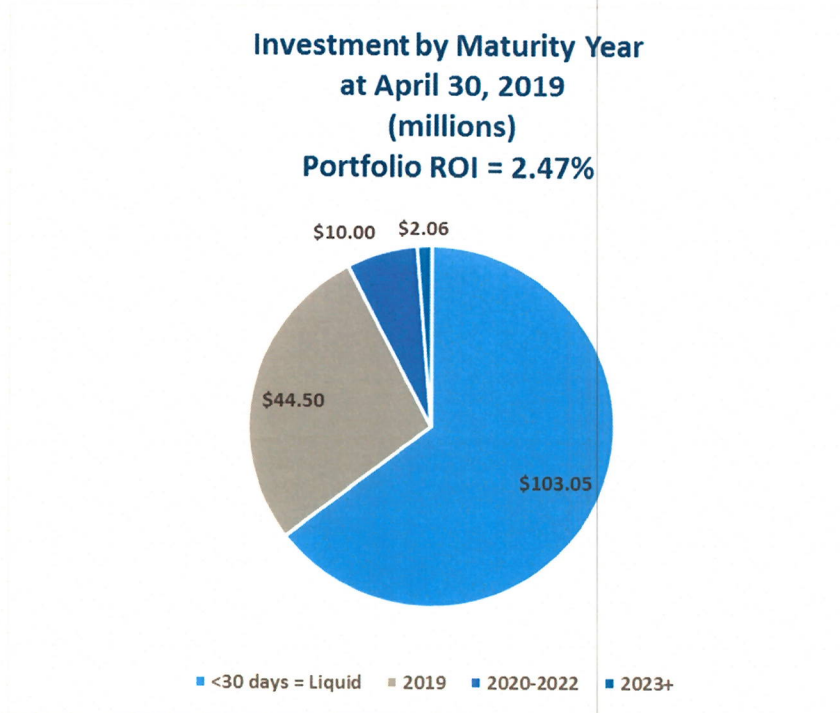
## Diversification

In order to reduce overall portfolio risk, Saanich diversifies its investment holdings across a range of security types and financial institutions.



## Liquidity

Saanich ensures that the investment portfolio remains sufficiently liquid in order to meet all reasonably anticipated operating and capital cash flow requirements.



## Return on Investment

Saanich's investment portfolio is current earning a combined rate of approximately 2.47% while maintaining the investment security established in the Investment Policy. Interest revenue is anticipated to reach budgeted levels by the end of the fiscal year.

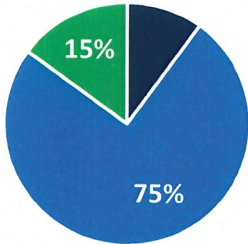


# Procurement Results

## Competitive Process

90% of procurement processes in the trimester had more than one bidder.

Competitive Process



■ One bidder ■ 2-5 bidders ■ 5+ bidders

## Procurement

Value \$200,000+			
Procurement Description	Value	Years	Supplier
Asphalt Paving	\$ 1,478,308	1	Capital City Paving Ltd
Finnerty Road Upgrade	\$ 1,476,165	n/a	Copcan Civil Ltd
Construction of Concrete Works	\$ 1,271,790	1	Island Asphalt Company
Waterworks Fittings	\$ 872,944	2	Fred SurrIDGE Ltd.; Corix Water Products Inc.; Andrew Sheret Ltd.; Emco Corporation
Cold Asphalt Milling	\$ 707,650	1	Capital City Paving Ltd

Value \$75,000 to \$200,000			
Procurement Description	Value	Years	Supplier(s)
Consulting Services for 3500 Blanshard, Municipal Hall-Annex Office Re-Fit	\$ 176,080	n/a	NumberTEN Architectural Group
Arboricultural Services	\$ 160,000	4	Capital Tree Service Inc./ Davey Tree Expert Co. of Canada
Records Storage	\$ 154,000	3	Access Records & Media
Ten (10) Woodway Treadmills	\$ 120,564	n/a	National Fitness Products
Crane Rentals	\$ 92,000	2	Berts Enterprises; LB Crane Rentals; MR Crane Services Ltd.; Advantage Crane Rental Limited; Russel's Crane & Cartage Ltd.; Ralmax Contracting Ltd
Geotechnical Services Gorge At Albina Sewer Tunnel Sinkhole	\$ 83,360	n/a	Thurber Engineering

# Building Permit Statistics

Year to Date	No. of Permits		Dwelling Units		Construction Value (millions)	
	2018	2019	2018	2019	2018	2019
Permit Type						
SFD/Duplex	38	30	54	43	27.6	26.0
Apartments	2	0	118	0	32.3	0.0
Townhouses	3	3	10	16	2.5	4.8
Commercial	38	51	0	0	3.5	14.5
Gov't/Inst.	16	12	0	0	25.6	20.2
Miscellaneous	118	114	8	13	9.4	10.1
<b>Totals</b>	<b>215</b>	<b>210</b>	<b>190</b>	<b>72</b>	<b>\$ 100.9</b>	<b>\$ 75.6</b>



# District of Saanich

## 2<sup>nd</sup> Trimester Results Report

January 1, 2019 to August 31, 2019

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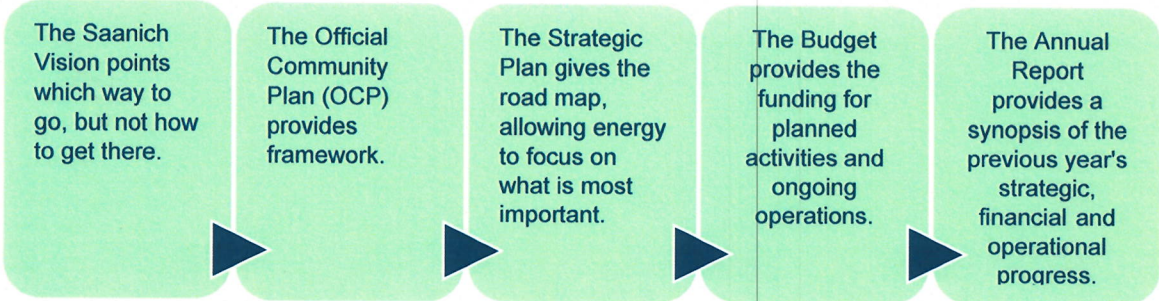




# Saanich Strategic Report

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# Operational Results

## District of Saanich - 2019 2nd Trimester Performance Report Operating Budget Results - January 1 to August 31

(Represents 2/3 or 66% of the year)

Overall results for the period are positive, with revenues on target or better and expenditures in line with expected utilization of budgets.

Revenues:	2018 Actual	2019 Actual	Annual Budget 2019	2019 Budget Remaining	% Revenue Collected	
Property Taxation	(120,677,300)	(127,805,800)	(127,814,700)	(8,900)	100%	1
Utility Tax and Other	(1,553,100)	(1,737,700)	(1,641,000)	96,700	106%	1
Water Utility Revenue	(12,446,500)	(12,616,900)	(22,438,900)	(9,822,000)	56%	2
Sewer Utility Revenue	(13,788,100)	(15,228,000)	(23,641,700)	(8,413,700)	64%	
Planning & Inspection Revenues	(2,502,200)	(2,323,700)	(2,840,800)	(517,100)	82%	3
Recreation Revenues	(9,280,400)	(9,823,900)	(12,420,400)	(2,596,500)	79%	4
Grants In Lieu	(1,903,200)	(2,262,900)	(2,655,900)	(393,000)	85%	
Provincial Grants	(1,431,800)	(1,424,000)	(1,500,000)	(76,000)	95%	
Interest and Penalties	(1,862,500)	(1,604,800)	(2,057,900)	(453,100)	78%	
Surplus Appropriations	0	0	(2,217,800)	(2,217,800)	0%	
Other Revenues	(207,000)	(375,000)	(299,400)	75,600	125%	5
<b>Total Revenue</b>	<b>(165,652,100)</b>	<b>(175,202,700)</b>	<b>(199,528,500)</b>	<b>(24,325,800)</b>	<b>88%</b>	

Expenditures:	2018 Actual	2019 Actual	Annual Budget 2019	2019 Budget Remaining	% Expenditure Spent	
Administration	1,537,800	1,618,100	2,777,900	1,159,800	58%	1
Finance - Departmental	2,345,700	2,461,800	3,841,100	1,379,300	64%	
Finance - Corporate	(353,700)	(349,000)	932,600	1,281,600	-37%	2
Fiscal Services	5,970,200	6,204,700	7,734,800	1,530,100	80%	3
Corporate Services	4,528,600	4,939,962	7,976,300	3,036,338	62%	
Building, Bylaw, Licensing & Legal	2,400,300	2,164,200	3,686,800	1,522,600	59%	4
Police Protection	23,637,000	23,322,000	36,945,200	13,623,200	63%	
Fire Protection	11,953,200	12,525,500	19,040,400	6,514,900	66%	
Emergency Program	259,100	259,500	453,900	194,400	57%	5
Planning	2,057,300	2,278,800	3,372,500	1,093,700	68%	
Engineering and Public Works	7,764,500	7,930,800	13,030,500	5,099,700	61%	
Parks	4,616,000	5,196,700	7,502,400	2,305,700	69%	
Recreation	14,614,700	15,218,200	22,997,100	7,778,900	66%	
Cultural	6,139,900	6,395,500	7,529,800	1,134,300	85%	6
Water Utility Expenditure	9,116,100	9,897,500	14,769,300	4,871,800	67%	
Sewer Utility Expenditure	13,851,800	15,619,700	18,281,700	2,662,000	85%	7
Capital Program (tax and fee funded only)	26,365,400	27,141,200	28,656,200	1,515,000	95%	8
<b>Total Expenditures</b>	<b>136,803,900</b>	<b>142,825,162</b>	<b>199,528,500</b>	<b>56,703,338</b>	<b>72%</b>	
<b>Revenues minus Expenditures</b>	<b>(28,848,200)</b>	<b>(32,377,538)</b>	<b>-</b>	<b>32,377,538</b>		

### Explanatory notes for variances over 5%

#### REVENUES:

- 1 *Property Taxation / Utility Tax (100% collected)* - All taxation and grants from other entities occur in the second trimester.
- 2 *Water Utility Revenue (56% collected)* - Anticipated higher summer water consumption is billed in the 3rd trimester.
- 3 *Planning & Inspection Revenues (82% collected)* - Higher than budgeted developments in progress.
- 4 *Recreation Revenues (79% collected)* - Higher revenues due to registrations in April and August. Lower revenue expected in the 3rd trimester.
- 5 *Other Revenues (125% collected)* - Ad hoc revenue that can occur anytime in the year for various reasons.

#### EXPENSES:

- 1 *Administration (58% spent)* - Vacancies in Archives and Legislative sections.
- 2 *Finance - Corporate (-37% net collected)* - General contingency for emergent issues of \$700,000 not utilized so far.
- 3 *Fiscal Services (80% spent)* - Debt payments in line with last year. Transfer of excess funds to IT & other Reserve occur in second trimester.
- 4 *Building, Bylaw, Licensing & Legal (59% spent)* - Vacancies in Inspections.
- 5 *Emergency Program (57% spent)* - Majority of the training cost will be realized in the 3rd trimester.
- 6 *Cultural (85% spent)* - GVPLB is paid one month in advance as per agreement. There will be no payment in December.
- 7 *Sewer Utility Expenditure (85% spent)* - Operating costs in line with last year. Payment to CRD constitutes 70% of budget and it occurs in the second trimester.
- 8 *Capital Program (95% spent)* - Majority of the budget is a transfer of funds for capital infrastructure. This occurs in second trimester.



# Capital Program Results

## District of Saanich - 2019 2nd Trimester Performance Report Capital Program Results - January 1 to August 31

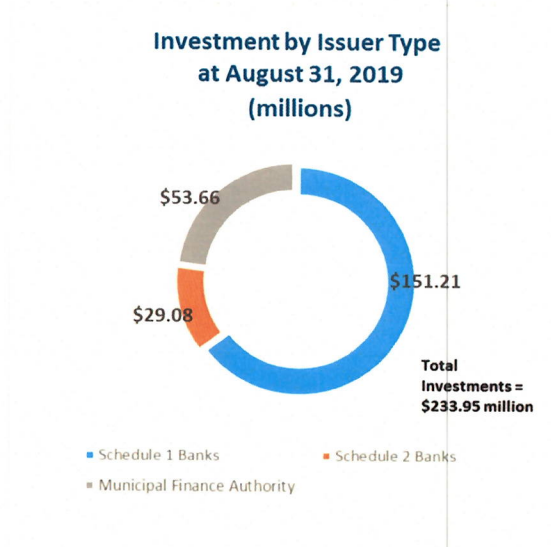
Projects budgeted over \$1,000,000

Capital Project	Original 2019 Budget	Budget Transfers	Revised 2019 Budget	Actual	Percent Spent	Schedule Status	Budget Status
Sims (Battleford - Seaton & SRW)	1,100,000	0	1,100,000	-	0%	☑	☑
IT Infrastructure Upgrades	1,163,560	0	1,163,560	28,079	2%	☑	☑
IT Network replacement - Phase 1	1,232,500	93,521	1,326,021	1,369,246	103%	☑	■
Wilkinson Rd (SIDES)	1,305,000	21,500	1,326,500	1,197,506	90%	☑	☑
North Dairy (Shelbourne Trunk)	1,305,000	0	1,305,000	1,204,094	92%	☑	☑
Fire Hall #3 - Building Renovation	1,239,120	0	1,239,120	819,194	66%	☑	☑
Telephone System Upgrade	1,525,000	0	1,525,000	1,441,906	95%	☑	☑
Finnerty Rd (McKenzie-Arbutus)	1,590,490	0	1,590,490	224,684	14%	☑	☑
SCP - Mechanical Upgrades	1,600,000	50,000	1,650,000	386,749	23%	☑	☑
Sanitary Sewer CIPP Lining	1,605,183	0	1,605,183	1,212,747	76%	☑	☑
Jamaica, Parkside, Winchester	1,664,600	0	1,664,600	593,384	36%	☑	☑
Network Upgrade	1,802,300	0	1,802,300	1,371,725	76%	☑	☑
West Saanich Rd Streetscape	1,920,000	0	1,920,000	89,028	5%	☑	☑
Asphalt Overlay Program	2,000,000	0	2,000,000	1,386,903	69%	☑	☑
3500 Blanshard St. Renovation	2,100,000	0	2,100,000	107,272	5%	☑	☑
Sidewalk Installation Program	2,762,700	0	2,762,700	41,520	2%	☑	☑
West Saanich/Prospect Lk/Sparton Rd	2,800,000	0	2,800,000	50	0%	☑	☑
Shelbourne Street Improvement Project - Ph1	9,958,000	0	9,958,000	550,429	6%	☑	☑

☑	On target
■	Caution
👉	Delayed

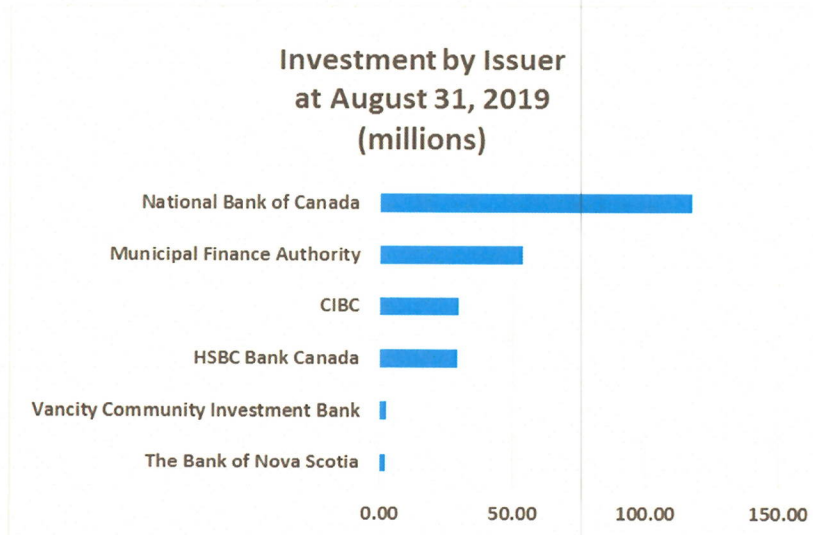
# Investment Analysis

The District of Saanich invests public funds in a prudent manner in accordance with the Council Investment Policy. The investment portfolio is currently valued at \$233.95 million. The increase in funds in T2 is due to the collection of property taxes which are held to fund operations and are drawn down over the ensuing 12 months. Most of these funds are either held for specific capital programs or are invested until needed to pay current operating expenses.



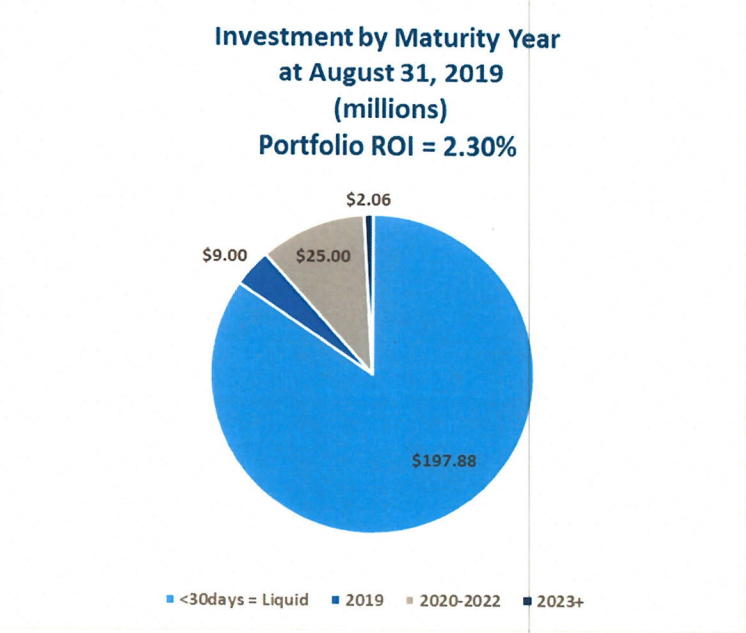
## Diversification

In order to reduce overall portfolio risk, Saanich diversifies its investment holdings across a range of security types and financial institutions. With a significant influx of revenue from property taxation in early July, maintaining diversification proved to be challenging. Additionally, the National Bank high interest account rate of return held at 2.52% while other institutions were falling well below 2%. Transfers have been implemented in trimester 3 to rebalance the diversity of the portfolio and strategies are being developed to ensure diversity is maintained during the property tax window and during times of inconsistent rate fluctuations between institutions.



**Liquidity**

Saanich ensures that the investment portfolio remains sufficiently liquid in order to meet all reasonably anticipated operating and capital cash flow requirements. The high level of liquid investments represents the influx of property tax revenue in trimester 2 which will be drawn down upon for operations.



**Return on Investment**

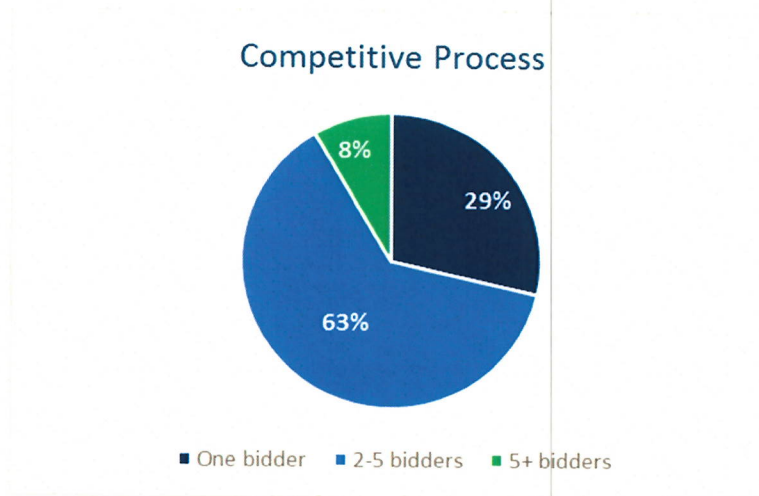
Saanich’s investment portfolio is currently earning a combined rate of approximately 2.3% while maintaining the investment security established in the Investment Policy. Interest revenue is anticipated to reach budgeted levels by the end of the fiscal year.



# Procurement Results

## Competitive Process

71% of procurement processes in the trimester had more than one bidder.



## Procurement

Value \$200,000+			
Procurement Description	Value	Years	Supplier
Supply of Hot and Cold Asphalt	\$ 642,010	1	Island Asphalt Company
Saanich Commonwealth Place Boiler Replacement	\$ 477,986		ERB Technical Contracting Ltd
One (1) Electric Car (plus optional)	\$ 448,351	2	Jenner Chevrolet Buick GMC
One (1) Mini Hydraulic Excavator (plus optional)	\$ 129,674	2	Finning Canada

Value \$75,000 to \$200,000			
Procurement Description	Value	Years	Supplier
Roadside Flail Mowing Services	\$ 199,600	2	Metchosin Contracting
Saanich Commonwealth Place Boiler Replacement	\$ 164,424		Canadian Engineered Products & Sales Ltd
Ice Resurfacer	\$ 143,890		Kendrick Equipment Ltd.
Supply and Delivery of Network Switch Replacement	\$ 114,261		Charter Telecom Inc.
IT Research and Advisory Services	\$ 99,000		Info-Tech Research Group

# Building Permit Statistics

Year to Date	No. of Permits		Dwelling Units		Construction Value (millions)	
	2018	2019	2018	2019	2018	2019
SFD/Duplex	63	52	92	70	43.8	40.2
Apartments	6	0	333	0	70.3	0.0
Townhouses	8	7	20	30	6.0	10.1
Commercial	82	107	0	0	12.3	20.3
Gov't/Inst.	35	22	0	0	30.0	39.0
Miscellaneous	280	244	30	40	23.0	21.1
<b>Totals</b>	<b>474</b>	<b>432</b>	<b>475</b>	<b>140</b>	<b>\$ 185.3</b>	<b>\$ 130.7</b>



The Corporation of the District of Saanich

## Report

To: Finance and Governance Committee  
From: Valla Tinney, Director of Finance  
Date: October 10, 2019  
Subject: Public Engagement on the Financial Plan

### RECOMMENDATION

That the committee recommend to Council that the implementation for an Open House for Public Engagement on the Financial Plan be deferred to 2021.

### PURPOSE

To seek support from the Finance Committee for deferral of the new open house public engagement opportunity for the Financial Planning process to 2021.

### BACKGROUND

At the May 27<sup>th</sup> 2019 Council meeting, a motion was passed directing staff to hold an Open House early in 2020 to share information on the draft budget with the public and to implement an online budget tool for use during the 2020 budget deliberations. The staff report indicated that implementation of any Town Hall or Open house would not be feasible until 2021, however agreed to implement for 2020 even though it would be ambitious.

### DISCUSSION

Circumstances related to staffing levels in the department have required the Senior Manager of Financial Services and the Finance Director to take on additional operational functions and has eliminated the ability to take on any significant additional project work, such as developing the open house. Implementation is no longer feasible for 2020. Implementation of the online budget tool is still on target for use in 2020.

Prepared by Valla Tinney  
Valla Tinney  
Director of Finance

### ADMINISTRATOR'S COMMENTS:

I endorse the recommendation of the Director of Finance.

A handwritten signature in dark ink, appearing to read "Paul Thorkelsson", written over a horizontal line.

Paul Thorkelsson, Administrator



1110-30  
Permissive Tax  
Exemptions

### PERMISSIVE TAX EXEMPTION PROCESS REVIEW

Report of the Director of Finance dated April 26, 2019 recommending that Council receive the report for information.

#### APPLICANT:

V. Tinney, Director of Finance presented and highlighted:

- The *Community Charter* statutorily exempts the building (improvements) for places of worship and the lands under the building; Council may, by bylaw, exempt from taxation any lands surrounding a building set apart for public worship and that exemption is perpetual.

#### PUBLIC INPUT:

Nil

#### COUNCIL DELIBERATIONS:

Motion:

**MOVED by Councillor Chambers and Seconded by Councillor Mersereau:** "That it be recommended that Council provide direction to staff on desired changes to the permissive exemption policy and processes and request a report back on implications to staff resources and Council processes with respect to a public benefits test for non-profit organizations and/or a public benefits test for church exemptions."

Council discussion ensued with the following comments:

- Inclusivity should be considered as part of the report.
- The recipients who benefit from a tax exemption should provide a service or benefit to all residents.
- Financial sustainability should be a factor in determining which organizations get exempted.
- The policy and process developed will be a tool to assist Council in achieving their strategic priorities and community objectives.
- It is necessary that the criteria for exemption is transparent and fair.
- Best practices of other jurisdictions should be included in the report.

In response to questions from Council, the Director of Finance stated:

- The report will include what is currently being done in other jurisdictions and a made-for-Saanich model.

**MOVED by Councillor Chambers and Seconded by Councillor Harper:** "That it be recommended that the motion be amended to add "considering the conditions as outlined in number two in the report of the Director of Finance dated April 26, 2019 as follows:

- Requiring that services and activities be equally available to all residents of the District;
- Registration of a covenant restricting use of the property;
- An agreement committing the organization to continue a specific service/program;
- An agreement committing the organization to have field/facilities open for public use for specific times or a total amount of time;

- An agreement committing the organization to offer the use of the field/facility to certain groups free of charge or at reduced rates;
- Exemptions based on the principal use of the property, not on the charitable service of the organization as a whole;
- Exemptions can be granted in whole or in part of the taxable assessed value of the land, improvements or both. Exemption categories (sport, cultural, community service, agricultural, etc.) can be established with a corresponding maximum exemption amount (50%, 75%, 100% etc.) applied to each category.”

The Amendment was CARRIED

The Main Motion, as Amended was then Put and CARRIED

Main Motion, as Amended:

“That it be recommended that Council provide direction to staff on desired changes to the permissive exemption policy and processes and request a report back on implications to staff resources and Council processes with respect to a public benefits test for non-profit organizations and/or a public benefits test for church exemptions considering the conditions as outlined in number two in the report of the Director of Finance dated April 26, 2019 as follows:

- Requiring that services and activities be equally available to all residents of the District;
- Registration of a covenant restricting use of the property;
- An agreement committing the organization to continue a specific service/program;
- An agreement committing the organization to have field/facilities open for public use for specific times or a total amount of time;
- An agreement committing the organization to offer the use of the field/facility to certain groups free of charge or at reduced rates;
- Exemptions based on the principal use of the property, not on the charitable service of the organization as a whole;
- Exemptions can be granted in whole or in part of the taxable assessed value of the land, improvements or both. Exemption categories (sport, cultural, community service, agricultural, etc.) can be established with a corresponding maximum exemption amount (50%, 75%, 100% etc.) applied to each category.”

CARRIED



## The Corporation of the District of Saanich

# Report

**To:** Saanich's Governance & Finance Committee  
**From:** Mayor Haynes, Councillors Mersereau, Taylor & de Vries  
**Date:** October 9, 2019  
**Subject:** Recommendations to enhance the effectiveness of Advisory Committees

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### RECOMMENDATION

That the Governance & Finance Committee recommend to Council the adoption of the proposed changes to Advisory Committee Terms of Reference, application and appointment processes, as outlined in this report.

### PURPOSE

To present the Governance & Finance Committee with recommendations to improve the terms of reference, application, and appointment processes for Saanich Advisory Committees in the short term (effective for 2020 appointments). Recommendations supported by the Governance & Finance Committee would require approval by Council prior to implementation.

### BACKGROUND

The Saanich Governance Review conducted in 2017 found that "advisory Committees were seen as an important component of governance in Saanich, but not used as effectively as they could be." The review made three recommendations (p.14)<sup>1</sup> to "enhance the functioning of advisory committees" which have not yet been adopted nor discussed at length by Council. Furthermore, during the process of appointing members to Saanich Advisory Committees in the fall of 2019, some Councillors expressed an interest in clarifying the purpose of Advisory Committees and enhancing the appointment processes to improve transparency and fairness.

In response to these events, a Working Group of the Governance & Finance Committee consisting of Mayor Haynes, and Councillors Mersereau, Taylor and de Vries have prepared recommendations for consideration by the Committee. According to staff, the recommendations in this report can be implemented in the short term and take effect for 2020. It is also recommended that the Governance & Finance Committee or a working group thereof undertake a more comprehensive review of the organization and mandates of Saanich's Advisory Committees following the release of this Council's Strategic Plan, to ensure alignment with the organization's strategic objectives.

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[Saanich Governance Review](#) (2017). Recommendations pertaining to Advisory Committee:

1. Term limits for Advisory Committee members of six years maximum.
2. Annual review of Terms of Reference for each committee at the beginning of each year to keep things on track, and encourage members to bring forward agenda items.
3. Co-chair arrangement with a council member and citizen member elected by the committee. Advisory Committee citizen co-chairs, not Councillors, should report to Council regularly.

## PROPOSED CHANGES FOR ALL ADVISORY COMMITTEE TERMS OF REFERENCE

1. Clarify that advisory committees are to consist of individuals qualified in the discipline(s) relevant to the committee mandates, or with a perspective necessary for fulsome consideration of the associated topics.

*Rationale: currently, the Advisory Committee Terms of Reference are silent on whether the committees serve a representative function (i.e. to reflect and represent the diversity of view points in the Saanich), or serve as qualified body to provide advice to Council. In light of the extensive and varied forms of public engagement undertaken by Saanich in the context of projects or long-term planning documents and the difficulty ensuring community representation on small committees, having the Advisory Committees structured in such a way that they are capable of providing qualified and informed advice on the topics within their mandate is considered a more constructive approach that will augment the quality of Saanich's programs and services.*

2. Clarify that all advisory committees may provide advice to Council on projects, policies, or bylaws under consideration by staff or Council, and on additional topics of interest to Committee members that fall within the subject areas of their Committee.

*Rationale: the current wording in most existing Terms of Reference does not preclude Advisory Committees from initiating discussion or advising Council on a matter of interest within the purview of the Committee that does not arise from a direction of Council or a request of staff. However, in practice, Advisory Committees' autonomy to do so has been questioned on occasion, suggesting a need for clarification through more explicit wording in the Terms of Reference. Provided the topics are within Committees' purview as described in their Terms of Reference, enabling Advisory Committees the opportunity to focus on topics of interest outside of referrals will ensure a more meaningful experience for members, and will additionally benefit Saanich as the recipient of advice on a broader range of topics from qualified community members.*

3. Introduce a maximum number of eight 1-year terms for a total limit of 8 years of service.

*Rationale: The Saanich Governance Review recommended term limits of 6 years. Term limits are widely recognized as a best practice in not-for-profit governance to ensure a continual influx of new ideas, varied perspectives/experiences, and to support more resilient boards and committees through capacity building and continual succession planning. Continual renewal of Advisory Committee membership is also expected to contribute to increased interest in participating, on the part of community members. In recognition of the significant learning curve for new Advisory Committee members, a limit of 8 years of service was considered by the Working Group to be more appropriate than the recommended 6.*

4. Consider removing the absolute right of the Chair (an elected Councillor) to vote, OR to vote except in the event of a tie. (The Working Group is seeking discussion & direction from the Governance & Finance Committee on these options).

*Rationale: The Saanich Governance Review recommended a co-chairing arrangement shared by an elected Councillor and a public member of the Advisory Committee. This arrangement may be difficult to adopt in practice because of the varied levels of information available to the elected co-chair and the public co-chair. Assuming the spirit*

*of the recommendation is affording the public members of the Advisory Committee more influence (relative to elected members), removing or limiting the ability of the elected official Chair would also support this outcome.*

5. Add 1 voting youth member (defined as 16-24 years) to the membership of all Advisory Committees.

*Rationale: Youth in Saanich are disproportionately impacted by the decisions made today by the municipality, yet have limited opportunity to become engaged in helping to steer the course of the District, particularly those below the voting age of 18 years. Reserving 1 space on advisory committees for a voting youth participant will ensure valuable youth perspectives are considered, and will provide opportunities for Saanich youth to become more engaged in civic affairs and develop important skill sets.*

6. Under the membership section of all Advisory Committee Terms of Reference add: "To the extent possible, advisory committees will have diverse membership with respect to gender, age, and cultural-ethnic background."

*Rationale: The 2019 Embrace! Saanich report noted that Advisory Committees are not representative of the diversity of the municipality with respect to ethno-cultural diversity. Gender and also age diversity in workplaces and other forums are also increasingly recognized as not only important to ensure equity, but to improve the creativity and quality of outcomes through the inclusion of more varied perspectives and experiences. Notwithstanding the intent of recommendation #1 to ensure Advisory Committees consist of individuals qualified through academic/professional experience or unique perspectives to provide advise on the subject at hand, inclusion of this statement in the Terms of Reference will ensure that a diversity lens is additionally applied during the appointment process. Additionally, it will signal Saanich's desire to have a diverse and inclusive organization and community, potentially encouraging participation from a broader set of residents.*

7. Add to each Advisory Committee Terms of Reference add "These Terms of Reference will be reviewed during the Committee's first meeting each term. Any proposed revisions will be subject to approval by Council."

*Rationale: This practice is currently adopted by some Committee chairs voluntarily. Formalizing this practice through inclusion in Advisory Committee Terms of Reference would improve consistency with respect to the administration and quality of experience on Saanich Advisory Committees, and would meet one of the three recommendations of the Saanich Governance Review.*

## **RECOMMENDATIONS FOR THE APPLICATION AND APPOINTMENT PROCESSES**

*Rationale: The recommendations below are designed either to formalize current policy or practice (1 & 3), simplify appointment processes (2), or introduce practices that bring Advisory Committees more into alignment with the expectations and obligations of elected and appointed bodies (4 & 5).*

1. Since terms are only one year (currently, and this is not proposed to change), require Advisory Committee members wishing to continue to serve to undergo the same application process as new applicants.
2. Limit the number of advisory committees that applicants can apply for to 3.
3. In policy and procedures, clarify that all Council members are responsible for appointing members of the advisory committees.
4. As a condition of appointment, have Advisory Committee members sign a confidentiality agreement to enable confidential information to be received by the Committee in the course of its work.
5. As a condition of appointment, have Advisory Committee members sign a respectful workplace code of conduct similar to the one used by Council or UBCM.

### FINANCIAL IMPLICATIONS

There are no direct financial implications for the District.


### OTHER IMPLICATIONS

Of all of the above recommendations, the introduction of term limits is likely to result in the most significant change for Saanich's Advisory Committees due to the history of long-term service and dedication that many have and continue to experience. If Council supports the introduction of term limits, it may be advisable for Council to consider opportunities to recognize the contributions of individuals who have invested significant time and energy in Saanich's Advisory Committees.

Prepared by



Fred Haynes  
Mayor



Rebecca Mersereau  
Councillor



Ned Taylor  
Councillor



Zac de Vries  
Councillor

cc: Angila Bains, Director of Legislative Services





## The Corporation of the District of Saanich

# Report

**To:** The Governance & Finance Committee  
**From:** Mayor Haynes, Councillor Mersereau & Councillor de Vries  
**Date:** October 9, 2019  
**Subject:** Recommendations to improve Saanich's grant program

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### RECOMMENDATIONS

The Governance & Finance Committee recommend to Council that:

1. The enclosed revised grant program structure and administration processes as outlined in this report be endorsed.
2. Staff be directed to prepare revisions to the Saanich Community Grants Program Policy, and associated application and procedural documents to ensure alignment with the approved changes, noting that changes to the Policy will require approval by Council.
3. Staff be directed to advise organizations that have received grants in the last three years of the changes to the Community Grant Program.

### PURPOSE

To present the Governance & Finance Committee with recommendations to improve Saanich's Grant Program.

### BACKGROUND

On March 12, 2019, Council moved "*That it be recommended that the matter, to strike a sub-committee to review the grants program, be referred to the Mayor to act upon.*"

Accordingly, a Working Group of the Governance & Finance Committee consisting of Mayor Haynes and Councillors de Vries and Mersereau have undertaken a review of Saanich's grant program and administration processes. The Working Group received support from the Director of Finance to clarify existing processes and identify challenges with the current grant program structure and administration. See Appendix 1 for a backgrounder prepared for the Working Group by the Director of Finance, and Appendix 2 for the existing Saanich Community Grants Program Policy. To provide a common framework for approaching the review, the Working Group identified the following objectives of the grant program review:

- To ensure grants are administered fairly, transparently, efficiently, and in alignment with policy
- To ensure grants are an effective vehicle to advance Saanich's priorities
- To consider the need and options for formalizing relationships with long-standing partners in delivering community services, to provide greater certainty to these service providers and to those who rely on their services

Since mid-August, Working Group members have individually spent 10-20 hours reviewing materials for Saanich's existing grant program, reviewing grant frameworks administered by other municipalities, discussing options, and reaching consensus on the proposed program and processes outlined below, for consideration by the Governance & Finance Committee.

## **PROPOSED PROGRAM STRUCTURE**

Restructuring the program into the 4 streams of grants described below is recommended: Community Service Provider Grants, Strategic Priority Grants, Community-building Grants, and Micro-grants.

### **1. Community Service Provider Grants**

Purpose: Paid to registered societies who provide a service or operate a facility on behalf of the municipality, on an on-going basis. These grants would not be awarded on a competitive basis.

Categories:

A) Community association grants

- The application requirements, eligibility criteria, and eligible grant amounts (based on population) would not change from those that exist currently (See Appendix 2).
- Eligible expenses that can be supported by the grant would be clarified to include those used to facilitate communication to residents (e.g. newsletters, website), and/or to organize community events open to all, and/or to support administrative expenses.
- These grant applications would be adjudicated by staff due to the routine and annual nature of these applications, to increase certainty and timeliness for applicants (currently adjudicated by Council).

B) Other community service provider grants

This new category is designed to:

- a) formalize Saanich's relationship with organizations that have existing and ongoing contribution agreements, leases, agreements or other arrangements with the municipality for the provision of community services; and
- b) provide more financial security to these organizations.

Rationale: Saanich has long-standing relationships with many organizations that stem from historical and informal agreements to operate Saanich-owned assets and/or provide services that the municipality may otherwise provide directly to the community. In many cases, the expectations in terms of services provided for the benefit of the community in exchange for financial contributions from Saanich are not well documented or understood.

On the other hand, contributions from Saanich form a major part of the operating budget of the receiving organizations, and the uncertainty created by the current requirement for annual grant applications can undermine the quality of services provided. Individually reviewing and clarifying the terms of each of these relationships will ensure Saanich is accountable for the significant sum of public money provided to these organizations on an annual basis (typically \$300,000 - \$330,000 in grants, not including permissive tax exemptions, in-kind contributions, or waived or discounted facility rents).



Proposed process for the community service provider grants:

- Grant amounts, terms (incl. expectations with respect to community services), timelines, eligible costs, and reporting requirements would be set out in Contribution Agreements signed by the District and the recipient organization.

*Rationale: this would clarify, for all parties, expectations of these reciprocal relationships.*

- The Contribution Agreements would be drafted and negotiated by Saanich staff in the department with the mandate for the applicable services (e.g. Parks and Recreation, Environmental Services), and would be subject to final approval by Council.

*Rationale: currently, all grant programs are administered by the Finance Department, which has little ability to ensure the activities supported by the grants are in alignment with and not redundant with operational activities undertaken by Saanich's various departments. Placing the onus on the appropriate departments to review and formalize expectations of the services provided by these organizations will improve the integration and alignment of these activities with other Saanich activities and priorities.*

- The approval of Contribution Agreements would not be subject to annual deadlines (i.e. the process is de-coupled from the annual granting cycle), and Contribution Agreements could be signed for a period of up to three years.

*Rationale: permitting multi-year funding agreements will provide greater certainty for the affected non-profit organizations and reduce the amount of time they and Saanich are required to commit to grant applications and administration.*

- It is recognized that transition to the proposed structure may take considerable time, depending on the current status of written agreements with the eligible organizations and the nature of their relationship with the appropriate Saanich department. In the interim, while transition to Contribution Agreements is underway, single-year funding applications will continue to be considered in conjunction with the annual grants cycle.

- The organizations eligible for community service provider grants are those that have been identified by Saanich staff as having unique leases, agreements, or other arrangements with the municipality. A preliminary list, which is still subject to review by staff, is outlined in the table below.

Organizations with Leases, Agreements or other arrangements	2017 Approved Grants	2018 Approved Grants	2019 Approved Grants
Goward House Society	20,000	20,000	20,000
Haliburton Community Organic Farm Society	14,000	13,000	8,500
Horticulture Centre of the Pacific	130,000	130,000	130,000
Saanich Heritage Foundation	47,000	47,000	35,000
Saanich Volunteer Services Society	58,368	58,368	58,368
Silver Threads Service	59,225	59,225	59,225
Swan Lake Christmas Hill Nature Sanctuary			
Subtotal	328,593	327,593	311,093
<b>Total Community or Social Service Grants</b>	<b>509,134</b>	<b>502,624</b>	<b>522,274</b>

## 2. Strategic Priorities Grants

Purpose: To support projects that advance actions & objectives in Saanich's Strategic Plan.

### Eligibility requirements

- All grants require matching contributions (cash or in-kind) of 75% of total project costs.
- The same project is eligible for funding for a maximum of 2 or 3 years, with re-application required in each year. (The Working Group is seeking advice from the Governance & Finance Committee on the appropriate timeframe.)

### Adjudication

- Staff perform a cursory review to ensure eligibility, and then eligible applications are reviewed by a sub-committee of Council or of the Governance and Finance Committee, which makes recommendations to Council for final approval.

### Rationale & link to current grant program

- This proposed category encompasses the existing 'Community or social service' grant category, which is typically the category through which 35-40% of total grant funding is awarded and which Council currently invests the most time in adjudicating.
- The proposed changes are intended to:
  - Better align the investments made through grant programs with Saanich's strategic objectives by helping leverage related skills and expertise in the community, and
  - Improve the ease of adhering to existing policy which affords preference to new applicants.

## 3. Community-building Grants

Purpose: To support projects or events that enhance public spaces or contribute to community vibrancy in Saanich.

### Categories:

- A) Community events
  - Maximum \$5,000/year
  - Events must be open to all to attend
  - No limit on re-applying in subsequent years for the same event
- B) Community well-being & placemaking projects
  - Maximum \$10K/year
  - Examples of eligible projects include artwork, educational signage, or installations that support reconciliation with First Nations.
  - The same project is eligible for funding for a maximum of 2 or 3 years, with re-application required each year. (The Working Group is seeking advice from the Governance & Finance Committee on the appropriate timeframe.)

### Eligibility requirements for both categories

- Applicants must be registered societies or non-profit organizations
- All grants require matching contributions (cash or in-kind) of 75% of total project costs

#### Adjudication for both categories

- Staff perform a cursory review to ensure eligibility, and then eligible applications are reviewed by a sub-committee of Council or of the Governance and Finance Committee, which makes recommendations to Council for final approval

#### Rationale & link to current grant program

- Encompasses but expands upon eligible projects for the existing grant category "Neighbourhood Matched Project Grants" (which are eligible for up to \$3,000) due to the small number of applications currently received.
- The rationale for not including a limit on the number of re-applications for events is in recognition that community partners can and already do organize a number of keystone annual events in Saanich.

#### **4. Micro-grants**

- Grants of a maximum of \$500
- Rolling (year-round) intake until the annual budget cap of \$5,000 per category is reached

#### Categories:

##### A) Small Acts of Vibrancy Grants (new category)

Purpose: to support neighbourhood initiatives that enhance or steward a public or green space.

##### B) Community Dry Grad Grants (same as the existing category)

Purpose: To support dry grad events for Saanich schools.

#### Eligibility requirements for both categories

- Applicants are not required to be registered societies or non-profit organizations
- All grants require matching contributions (cash or in-kind) of 75% of total project costs

#### Adjudication for both categories

- By Saanich Staff (this is already how Community Dry Grad grants are adjudicated)

#### Rationale & link to current grant program

- The Community Dry Grad category already exists and is not proposed to change (eligibility is up to \$5/graduating student, applications are administered by Saanich staff).
- The Small Acts of Vibrancy Grants is similar to the existing 'Small Sparks grant'. Redesigning it as described above is intended to:
  - provide a quicker response to small applications due to the rolling intake (it was noted by staff that currently some applications wait in excess of a year to hear the outcome of applications, which may not be feasible in all cases),
  - Increase applications/interest by removing the requirement to "significantly improve the appearance of the neighbourhood and demonstrate an overall lasting benefit", and
  - lower the barrier to entry for small grants that could be accessed by small and informal groups of residents (not exclusively registered societies).

## **ADDITIONAL RECOMMENDATIONS TO IMPROVE GRANT ADMINISTRATION**

1. Clarify reporting requirements for grant recipients
  - a) For all grants except the Community Service Provider Grants, require grant applicants to submit a short (e.g. 1 page) report outlining how the grant was spent and how/if the stated objectives were met.
  - b) Reporting requirements for the Community Service Provider grants would be specified in the individual Contribution Agreements.
  - c) Ensure Saanich reserves the right to request proof of expenditures for granted funds.
  
2. Clarify and Disclose all forms of financial support received by the applicant from Saanich  

In the course of conducting reviewing applications (including the cursory review for Community Building and Strategic Priorities grants), have Saanich staff identify and disclose other forms of monetary or in-kind contributions from Saanich received by the applicant, for consideration during adjudication. Other forms of contributions that benefit organizations include permissive tax exemptions, waived or reduced rental fees for the use of facilities, or in-kind support from Saanich Staff.
  
3. Apply the existing definition of community associations to the eligibility criteria for Community Association Grants and direct other organizations who have traditionally received grants under this category to other grant streams.  

*Rationale: in recent years, at least two organizations that do not meet the definition of community associations outlined in the grants policy have received Community Association Operating Grants: The Friends of Mount Doug Park Society and the Rithet's Bog Conservation Society. Directing grant applications from these organizations to other categories (e.g. Strategic Priorities or Community Well-being) is advisable as a housekeeping item to ensure fairness in the adjudication of applications in all categories.*
  
4. Review the advertising strategy for Saanich grant opportunities to ensure a diversity of organizations are aware of the funding opportunities and to ensure it reflects current forms of information/media consumption.

## **FINANCIAL IMPLICATIONS**

The proposed changes do not envision nor require changes in the overall annual costs of Saanich's grant program. By reserving Council's role as the adjudicator on most grant categories and placing annual caps on the other grant categories administered by staff, the proposed changes will result in a slight increase in Council's control over the costs associated with the grant program.

## **CONCLUSION**

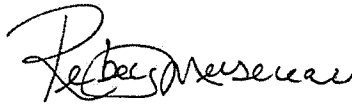
Saanich's Grant Program supports community initiatives and organizations that contribute to the Districts strategic objectives and the reach of valued community services. The proposed restructuring of the program is intended to ensure granting decisions meet these objectives in an effective, efficient, fair, and transparent way.

Prepared  
by



Fred Haynes

Mayor



Rebecca Mersereau

Councillor



Zac de Vries

Councillor

cc: Valla Tinney, Director of Finance



## The Corporation of the District of Saanich

# Memo

**To:** Grants Working Group  
**From:** Valla Tinney, Director of Finance  
**Date:** August 8, 2019  
**Subject:** Community Grant Policy Review

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### BACKGROUND:

The Community Grants Policy was adopted by Council in January of 2013. Over the course of the grant adjudication process that occurs as part of budget deliberations, Council has expressed a variety of concerns with the program. While Council members will have their own views about what is and is not working, the following are the challenges that have been experienced from a staff perspective.

1. Current policy/process does not screen applicants to Council's satisfaction (e.g. health organizations) – staff does not have capacity to do complete reviews of applications and no authority under the policy to deny acceptance of an application
2. Challenging for Council to follow the policy. The multitude of requirements are difficult for Council to assess with the number of applicants and size and complexity of application packages.
3. Policy indicates priority should go to new applicants over returning ones, but this is not the practice.
4. Timing for some projects is challenging given that grants are not approved for projects that have already taken place. If an event falls between January 1<sup>st</sup> and May 15<sup>th</sup>, application must be made over a year in advance. Smaller organizations frequently do not have this kind of advance planning.
5. Lack of applicants for the Neighbourhood Matched Grant program.
6. Small Sparks Grant program has become an "invasives removal/restore" grant program. The criteria are screening out some worthwhile initiatives that Council would likely support funding.
7. Community Association Grants – may need better definition of intended use
8. Time commitment to hear from and adjudicate grant applicants (2 full evenings to hear from the applicants and a couple of hours to adjudicate)
9. Fundamental differences between applicants making adjudication challenging for Council.

A grant policy should be a useful guide that enables Council to allocate a grant budget to organizations that assist the municipality to fulfil its mandate to the residents. While Saanich's program is administered by Finance, it is a corporate program that supports a wide variety of services, ranging from emergency services such as Marine Rescue to sustainable food production to mental health support. The various grant streams will be discussed individually, with a view to this overarching goal.

## **Policy Review**

### **Operating Grants**

1. Community or Social Service Operating Grants

This is the program under which most grant money is distributed. The program appears to be working well, with the exception that it is challenging for Council to apply the numerous criteria established; in particular, priority for new applicants.

2. Community Association Operating Grant

This program provides a set funding amount to the District's Community Associations to assist them with their administrative costs. While this program appears to be working well, it would benefit from a clearer description of the costs the program is intended to cover (e.g. newsletter production).

### **Project Grants**

3. Small Sparks Project

This program was intended to provide seed funding for small community based projects. Given the criteria that the project must "significantly improve the appearance of the neighbourhood" the program is almost solely providing funding to "Pulling Together" groups for invasive removal and restoration projects. A variety of projects that Council may wish to support have been denied due to the established criteria. The program would benefit from either moving it to a Parks based invasive removal support grant for the Pulling Together program, or broadening the criteria so that a wider variety of projects may be approved.

4. Neighbourhood Matched Program Grant

This program has experienced a steady reduction in applications since the policy was adopted. There is no information available to explain the trend.

## **Presentation and Adjudication**

The presentation and adjudication process currently takes two and half Committee of the Whole meetings to conduct. Council has heard criticism during public input opportunities that the time spent is inconsistent with the amount of the total budget being allocated. Currently, the two presentation nights are structured so that organizations that are connected to Saanich via management agreement, lease or other legal arrangement were separated from the general ask. There may be some benefit to assessing how organizations such as Goward House, Haliburton Farm, and HCP etc. connect with Council during the budget process. The evening format also presents challenges as these evenings tend to go quite late which can be problematic for some presenters.

**COUNCIL POLICY**

<b>SUBJECT: SAANICH COMMUNITY GRANTS PROGRAM</b>	
<b>ISSUED:</b> January 14, 2013	<b>INDEX REFERENCE:</b> <b>COUNCIL REFERENCE:</b> 13/CNCL (Replaces 03/105, 88/CW, 90/CW)
<b>AMENDED:</b> October 7, 2013 November 27, 2017	<b>COUNCIL REFERENCE:</b> 13/CNCL

**1.0 PURPOSE STATEMENT AND GENERAL GUIDELINES**

The purpose of the Saanich Community Grants Program is to provide financial support to non-profit community associations and organizations for services, projects or events that contribute toward the Saanich vision described in the Official Community Plan. Financial support recognizes the valuable resources and contributions of non-profit organizations in helping the District of Saanich maintain a strong community focus.

Grant awards will be limited to funding levels established from time to time during the annual financial plan process.

Until such time as grant applications exceed available budget funding, all projects will be considered. If and when applications exceed available funding, priority will be given to new applicants. Any funds budgeted but not expended will be carried forward and added to next year's budget.

All grant applications are received and administered by the Finance Department. All funding awards are approved by Saanich Council, excluding the Small Sparks Project Grants and the Community Dry Grad Grant awarded by the Director of Finance. More than one grant will not be awarded for the same service, project or event.

A summary of grant awards will be published annually prior to January 31<sup>st</sup> of the following year.

**COMMUNITY GRANTS PROGRAM**

The Community Grants Program consists of two primary elements: Operating Grants and Project Grants. The Program is coordinated by the Finance Department, with participation from appropriate Departments relative to areas of direct expertise.

Applications will be accepted from eligible organizations in the following categories:

**1.1 Operating Grants**

- Community or Social Service Grant
- Community Association Operating Grant
- Community Dry Grad Grant



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## 1.2. Project Grants

- Community Project - Small Sparks Grant
- Community Project - Neighbourhood Matched Project Grant

## 2.0 PROGRAMS EXPLAINED

### 2.1 EXPRESSIONS USED

**Community Association:** Means a Saanich-based non-profit association registered under the Society's Act serving a population in a particular geographic area and has been recognized by Council, either through the local area planning process, through historical precedent or through a special resolution of Council. The association must be open and inclusive, actively encourage neighbourhood participation and engage diverse community members.

**Non-Profit Organization:** Means an association or organization that is registered under the Society's Act and where funds or profits are used only for purposes of the society itself. The organization must be open and inclusive, actively encourage community participation, engage diverse community members, and provide service to and/or include people who live and/or conduct work in Saanich.

**In-Kind Contribution:** Refers to community-matched contributions through volunteer labour, donated materials, or donated professional services and shall be valued at the market cost necessary if hired or purchased.

### 2.2 OPERATING GRANTS

1. **Community or Social Service Operating Grants** are provided to non-profit organizations needing assistance to enhance their ability to address community or social issues or to provide access to appropriate community services that directly benefit the Saanich community.
2. **Community Association Operating Grants** are provided to eligible, active, community associations to assist in defraying the annual administrative cost of operations.
  - Eligible community associations that represent a population area of less than 10,000 may receive an annual operating grant of up to \$1,100 based on expenditures.
  - Eligible community associations that represent a population area of more than 10,000 may receive an annual operating grant of up to \$1,650 based on expenditures.
  - All eligible community associations may receive an annual liability insurance grant of up to \$500 per year based on expenditures.

- The Saanich Community Association Network (SCAN) may receive funds to offset secretarial/administrative services to a maximum of \$1,500 per year based on expenses submitted.
3. **Community Dry Grad Grants** are provided to a graduating class of a Saanich Secondary School to support building a safer community through youth awareness and promotion of an alcohol free event.
- Secondary school graduating class organizing committees may be eligible for up to \$5 per graduating student per year.
  - Awards are administered by the Director of Finance.

**2.3 PROJECT GRANTS**

1. **Small Sparks and Neighbourhood Matched Project Grants** provide funding to encourage community associations and other neighbourhood based non-profit organizations and community groups to undertake projects or events which strengthen neighbourhoods, promote participation and involvement through activities, build collaborative relationships and demonstrate an overall lasting benefit to the Saanich community as follows:

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**Small Sparks Project**

**Small Sparks are limited to a maximum amount of \$500 per project.**

*Projects must be able to be completed within 6 months of receipt of the grant.*

*Awards are administered by the Director of Finance.*

**Projects/events within this category could include for example:**

- neighbourhood beautification
- tree planting
- invasive species removal (tools)
- graffiti removal

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**Neighbourhood Matched Project**

**The maximum amount toward any one small project or event is \$3,000. Funding must be matched by the applicant.**

*Projects must be able to be completed within 12 months of receipt of the grant.*

*Awards are approved by Saanich Council.*

**Projects/events within this category could include for example:**

- park improvements/restoration
  - playground equipment, benches
  - interpretive signage
  - community education
  - Council approved murals (permit required)
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### **3.0 REQUIREMENTS AND ELIGIBILITY**

#### **3.1 OPERATING GRANTS**

##### **a. Community or Social Service Grant**

- Non-profit organizations may be eligible for a community or social service grant operating grant if they can demonstrate financial need.
- Non-profit organizations must provide a written summary of the request that includes clear information about the organization, the membership, the service provided and the benefit to the Saanich community.

##### **b. Community Association Operating Grant**

- Community associations may be eligible for an operating grant if they can demonstrate financial need.
- Where more than one community association represents a population in the same geographic boundary, the Community Association Operating Grant may be divided equally amongst the applying Associations.

##### **c. Community Dry Grad Grants**

- Secondary school graduating class organizing committees may be eligible for funding if they demonstrate financial need and can provide a letter of support from the School Principal.

#### **3.2 PROJECT GRANTS**

##### **a. Small Sparks Grant**

- Community associations and other neighbourhood based non-profit organizations or community groups may be eligible for a project grant if they can demonstrate financial need, a local geographic and social identity and active participation.
- Eligible projects must significantly improve the appearance of the neighbourhood and demonstrate an overall lasting benefit to the local community. Please note that projects must be able to be completed within six months of receipt of the grant.

##### **b. Neighbourhood Matched Project Grant**

- Community associations and other small neighbourhood based non-profit organizations or community groups may be eligible for a project grant if they can demonstrate financial need, a local geographic and social identity and active participation.

- Eligible projects must significantly improve the appearance of the neighbourhood and/or include events that engage and celebrate community. Please note that projects must be able to be completed within twelve months of receipt of the grant.
- Two letters of support from the local community must be provided including one from the local Community Association.
- For all Neighbourhood Matched Project requests, the total value of the matched contribution (cash or in-kind) from the group must at least equal the amount of the grant requested, *and* at least 25% of the value of the matched contribution must come from the neighbourhood.

## 4.0 APPROVAL AND APPLICATION GUIDE

### 4.1 AWARDS WILL NOT BE PROVIDED TO AND/OR USED TO:

- individual persons, individual businesses, political groups, other government agencies, universities, colleges, schools or hospitals;
- organizations that receive funding from Saanich through regional or other grant processes (e.g. CRD Arts funding)
- accumulate funds for the same project over multiple years, fund the same project for multiple years, or fund projects already completed;
- combine applications for funding the same project or event;
- duplicate an existing public or private program;
- purchase land ;
- fund travel, conference workshops, training or professional development costs;
- fund a deficit or debt repayment.

### 4.2 APPLICATION

All grant requests must be submitted to the Director of Finance on or before February 1<sup>st</sup>, with the exception of requests for Small Sparks Project Grants which may be submitted at any time of the year. All grant requests must be submitted using the application form prescribed by the Director of Finance and must include all required documentation, unless otherwise indicated. Incomplete applications will not be considered.

#### a. Community or Social Service Operating Grant

- Submit completed application form and accompanying documents to the Director of Finance on or before February 1<sup>st</sup>.
- Applications will be considered by Council during the annual review of the Financial Plan.

**b. Community Association Operating Grant**

- Submit completed application form and accompanying documents to the Director of Finance on or before February 1<sup>st</sup>.
- Applications will be considered by Council during the annual review of the Financial Plan.

**c. Saanich Community Association Network Operating Grant**

- Submit invoice detailing specific secretarial and administrative costs to the Director of Finance at any time during the year.
- Invoices will be considered for approval within 4 weeks of receipt.

**d. Community Dry Grad Grant**

- Submit completed application form and accompanying documents to the Director of Finance on or before February 1<sup>st</sup>.
- Applications will be administered by the Director of Finance.

**e. Community Project - Small Sparks Grant**

- Submit completed application form and accompanying documents to the Director of Finance at any time of the year.
- Applications will be considered within four weeks of receipt.
- Recipients may be required to submit a progress report upon project completion. Deadline for the report will be outlined upon confirmation of the award.
- Small Sparks Project Grants are administered and awarded by the Director of Finance.

**f. Community Project - Neighbourhood Matched Project Grant**

- Submit completed application form and accompanying documents to the Director of Finance on or before February 1<sup>st</sup>.
- Applications will be considered by Council during the annual review of the Financial Plan.
- Recipients may be required to submit a progress report upon project completion. Deadline for receipt of the report will be outlined upon confirmation of the award.
- Upon Council approval, 80% of the grant amount will be paid in advance, with the balance of 20% to be paid upon receipt of final report.



Council - Agenda Item H (5) Council meeting Sept 9, 2019 Finance & Governance TOR

POST TO	POSTED
COPY TO	
INFORMATION	<input checked="" type="checkbox"/>
REPLY TO WRITER	<input type="checkbox"/>
COPY RESPONSE TO LEGISLATIVE DIVISION	<input type="checkbox"/>
REPORT	<input type="checkbox"/>
FOR	

From: "Art Beck" [redacted]  
 To: <council@saanich.ca>  
 Date: 9/8/2019 5:17 PM  
 Subject: Agenda Item H (5) Council meeting Sept 9, 2019 Finance & Governance TOR  
 CC: "San Mayor Fred Haynes" <fred.haynes@saanich.ca>, "San Coun Colin Plant"...

Mayor and Council

RE Agenda Item H (5) Mayors Standing Committee on Finance & Governance Terms of Reference

In order to truly achieve the goal of transparency and good fiscal governance I would suggest that under the mandate section of the terms of reference you add a bullet:

**Review the Saanich quarterly financial statements.**

**Rational** - Since Council is the defacto Board of Directors of the Corporation, then, through its finance committee, it should be reviewing the corporation's financial progress (against budget) to ensure that the corporation is meeting its projected targets, and suggest corrective action if needed. Since these meetings will be part of the public record it would also allow interested residents and taxpayers of Saanich to follow the financial stability of the Corporation.

Thank you for consideration of these suggestions.

Yours truly

Art Beck  
James Heights

