

**\*\*REVISED\*\***

## **AGENDA**

### **FINANCE AND GOVERNANCE STANDING COMMITTEE** **Monday, January 17, 2022 - 10:00 to 11:30 am** **COUNCIL CHAMBERS**

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#### **MEETING BY ELECTRONIC PARTICIPATION**

Due to the COVID-19 pandemic, we strongly encourage residents to use the option noted below to hear the meeting. Although in-person attendance is now permitted, space for attendees in the council chambers is extremely limited due to COVID-19 related safety measures. It will be available on a first-come, first-served basis. It is recommended that any residents who wish to attend the meeting in person have an alternate plan for electronic participation in case space is not available.

**To hear this meeting by phone, please call: 1-833-214-3122**  
**Access code 740 043 072#**

MS Teams callers are identified by their phone number, which will be viewed on screen by all attendees of the meeting, and not retained.

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#### **1. MINUTES FOR ADOPTION**

- October 18, 2021 (attached)

#### **2. LONG TERM FINANCIAL PLAN INTERIM REPORT**

- Report of the Director of Finance dated January 7, 2022 (attached)
- Presentation from Bruce Peever, KPMG
- For Committee information

#### **3. 2022 REGULAR MEETING SCHEDULE (attachment)**

- Memo dated January 6, 2022 from the Administrative Assistant to the CAO (attached)
- Confirmation of the regular meeting schedule as per Section 85(a) of the Council Procedure Bylaw 2015, 9321.

#### **4. BYLAW TO SUPPORT COUNCIL CODE OF CONDUCT**

- Report of the Chair, Councillor Brice, dated November 15, 2021 (attached)
- For Committee review and provide direction to staff.

#### **5. FINANCE 2022 WORK PLAN**

- Report of the Director of Finance dated January 7, 2022 (attached)
- For Committee information and endorsement of template

#### **6. UBCM REPORT – ENSURING LOCAL GOVERNMENT FINANCIAL RESILIENCY AUGUST 2021 (Standing Item)**

- No item for Committee Discussion this month

**... ADJOURNMENT ...**

**MINUTES OF THE  
FINANCE AND GOVERNANCE STANDING COMMITTEE  
COUNCIL CHAMBERS  
SAANICH MUNICIPAL HALL, 770 VERNON AVENUE  
MONDAY, OCTOBER 18, 2021 AT 10:00 AM**

Present: Chair: Councillor Susan Brice  
Members: Mayor Haynes, Councillors Harper and Mersereau  
Staff Members: Paul Thorkelsson, Chief Administrative Officer; Valla Tinney, Director of Finance; Karen Coates, Manager of Accounting Services; Angel Chen, Manager of Financial Planning; Rachel Mattiuz, Administrative Assistant.

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**MEETING BY ELECTRONIC PARTICIPATION**

Due to COVID-19 measures, the Saanich Municipal Hall is closed to the public. As per the Order of the Minister of Public Safety and Solicitor General, Emergency Program Act, Ministerial Order M192, public attendance at the meeting is not required if it cannot be accommodated in accordance with the applicable requirements or recommendations under the Public Health Act.

Members of the public were provided with information on how to access and listen to the proceedings.

Chair Brice noted the technical issue of the microphone batteries – We are able to communicate within the Chamber without but members of the public may have difficulty. If members of the public attend, Chair Brice will summarize any points made by an attendee without access to a microphone.

**OPENING REMARKS**

The Director of Finance welcomed Angel Chen, new Manager of Financial Planning. Chair Brice acknowledged the Committee's appreciation of Jennifer Downie's work on the Committee.

**1. MINUTES FOR ADOPTION**

**MOVED by Councillor Harper and seconded by Councillor Mersereau:**

**"That the minutes of the Finance and Governance Standing Committee meeting of July 19, 2021 be adopted as circulated."**

**CARRIED**

**2. COASTAL COMMUNITIES SOCIAL PROCUREMENT INITIATIVE**

Chair Brice noted that the Coastal Communities Social Procurement Initiative report is a result of the Committee's meeting on July 19, 2021. The report includes materials from the CRD. It was signaled to the Director of Finance that this issue was dealt with at the CRD and that there may be crossover, and the Director of Finance has reached out to the CRD Chief Financial Officer.

The Director of Finance presented the Coastal Communities Social Procurement Initiative Report dated October 1, 2021.

The Committee did not have any questions on the report.

**Moved by Mayor Haynes and seconded by Councillor Mersereau:**

**"That the Finance and Governance Standing Committee recommend that no further action be taken on social procurement at this time and that staff report back to the Committee in one year to provide an update on capacity within**

**Purchasing Services to take on the additional work of assessing a potential program for Saanich.”**

**CARRIED**

Councillors Mersereau and Harper expressed their thanks for the finance department's pragmatic approach to undertaking initiatives and new projects.

**3. SAANICH COMMUNITY GRANTS PROGRAM POLICY**

The Director of Finance presented the Saanich Community Grants Program Policy report dated October 7, 2021.

This is in follow up to the Saanich Community Grants Program Policy report dated June 25, 2021, from the July 19, 2021 Committee meeting. The updated policy incorporates the necessary amendments regarding the Community Grants program – Neighbour to Neighbour program to expand on the Small Acts of Vibrancy program.

The Committee did not have any questions on the report.

**Moved by Mayor Haynes and seconded by Councillor Mersereau:  
“That the Finance and Governance Standing Committee recommend that Council adopt the amended Saanich Community Grants Program Policy to incorporate the Neighbour to Neighbour (N2N) program.”**

**CARRIED**

**4. UBCM REPORT – ENSURING LOCAL GOVERNMENT FINANCIAL RESILIENCY  
AUGUST 2021**

Chair Brice gave the floor to Mayor Haynes for comments and questions.

This item has been brought to the Committee in light of recent British Columbia Urban Mayors' Caucus (BCUMC) meetings and regarding the Union of BC Municipalities (UBCM) Fiscal Futures Report. The intent of bringing the item to the Committee is for its ongoing review.

The CAO noted that during the BCUMC meeting the group of mayors combined a few points from this report in order to take a subset of those recommended areas of action as part of their lobbying efforts leading up to the federal election. It was an effort to reengage again with UBCM and to put forward a municipality focused approach to financial resiliency for the Province to consider.

Discussion ensued. In response to questions from the Chair, the CAO noted the Committee could review and consider whether there are areas within the report that resonate with Saanich's strategic priorities and if so, then propose that to Council on an advocacy basis via writing the government to request the provision of support regarding those initiatives. May be helpful to focus on three to five items to bring forward to Council.

The Director of Finance advised that if the Committee wishes staff will take a closer look and report back with any current alignments.

**Moved by Councillor Harper and seconded by Councillor Mersereau:  
“That the Finance and Governance Standing Committee receive this report for information and keep it as a standing agenda item to consider its**

**recommendations over time on an as-needed basis to bring forward to Council for endorsement.”**

**CARRIED**

#### **5. 2<sup>ND</sup> TRIMESTER REPORT – JANUARY 1, 2021 TO AUGUST 31, 2021**

The Director of Finance presented the 2<sup>nd</sup> Trimester Results report dated January 1, 2021 to August 31, 2021.

Discussion ensued on the report. In response to questions on the report from the Committee:

The Director of Finance noted:

- If items were not heading towards target the Committee would have been advised beforehand.
- With respect to 2020 and 2021 comparison to pre-pandemic levels of expense and revenue items (recreation and business licensing), recreation has been highly impacted due to COVID-19 at recreation facilities. In last year's budget permissions were made in anticipation, - received COVID-19 Restart Grant and offset some of the revenue changes with the Offset Grant. Staff can provide more broken down specific numbers but in both cases the Restart Grant was utilized as expected. Business licensing revenues haven't been noticeably impacted by COVID-19.
- COVID-19 impact reporting at the end of 2021 will be included when reporting the annual results. Incorporating a more specific informal special report in the 3<sup>rd</sup> trimester of 2021 would still have unknowns with Phase 4, to come forward to this Committee during budget deliberations.
- Fossil fuel free investments were debated at this Committee, and the current policy reflects this Committee's direction.
- Saanich will not be doing matching loan investments due to long-term debt with AMFA.
- In the case of unspent amounts regarding specific projects (such as Pearkes Arena, etc.), if there was unspent money at the end of the project it would revert back to the budget in the scope of its original asset type, to be released to other projects of the same type. There is a lag time of submitting invoices, so this type of report will always be behind 'real time'. Some project works that are currently seen may be a part of a previous year's project and therefore the expenditures may not be seen in the current reporting period.

The Manager of Accounting Services noted:

- An average of 15 FTE hours or more a month are spent on placing investments
- A lot of the high interest savings accounts are fossil fuel free. A balance is needed between liquidity, rate of return, and fossil fuel free items.
- 81% of investments were liquid. Looking to see how assets can be matched against future liabilities. With the current 81% the intent is to remain as liquid as possible. Better rate investments are longer term and can't be accessed without penalty or at all.

The CAO noted:

- Pearkes Arena project: upgrades to that facility were not complete at the time of the report so there are still additional works still ongoing.
- The term "Miscellaneous" on page 9 of the report covers everything else that doesn't specifically fall under the other categories, examples being secondary suites, renovations to houses. Secondary suites are captured in the "Dwelling Units" category.

**Moved by Councillor Mersereau and seconded Mayor Haynes:  
“That the Finance and Governance Standing Committee receive the 2<sup>nd</sup> Trimester Report  
– January 1, 2021 to August 31, 2021.”**

**CARRIED**

**ADJOURNMENT**

On the motion from Councillor Brice the meeting adjourned at 10:45 am.

\_\_\_\_\_  
Chair

I hereby certify these Minutes are accurate.

\_\_\_\_\_  
Committee Secretary

DRAFT



## The Corporation of the District of Saanich

# Report

**To:** Finance and Governance Committee  
**From:** Valla Tinney, Director of Finance  
**Date:** January 7, 2022  
**Subject:** Long Term Financial Plan Interim Report

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### RECOMMENDATION

That the Committee receive the Long Term Financial Plan Development Interim Report for information.

### PURPOSE

To present KPMG's Long Term Financial Plan Development Interim Report and update the Committee on project progress.

### BACKGROUND

Council's strategic plan includes the initiative "conduct a long term financial planning process". The original target was for completion by Q4 2020, however the pandemic delayed the process. The RFP for a consultant was conducted in early 2021 resulting in KPMG being awarded the contract. KPMG and the Saanich project team have made good progress through the latter half of 2021.

### DISCUSSION

#### Long Term Financial Plan

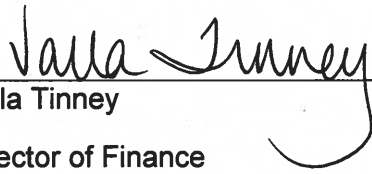
The first phase of the Long Term Financial Plan project includes:

1. Environmental scan, principles and policy review
2. Sustainability Framework
3. Benchmarking and policy framework

This work commenced mid-year in 2021. Good progress has been made however there is a delay from the original completion timeline of November 2021. KPMG have submitted an interim report which is provided to the Committee for information and comment. The updated timeline is for the final report to be presented to Council by the end of February 2022

A second phase of this project will look at infrastructure replacement funding. The arrival of the Asset Management Program Manager was key to moving this body of work forward. Timelines are not yet established but it is anticipated to be complete in 2022.

Prepared by

  
\_\_\_\_\_  
Valla Tinney  
Director of Finance

Attachment: KPMG Long-Term Financial Plan Development – Interim Report

**ADMINISTRATOR'S COMMENTS:**

I endorse the recommendation of the Director of Finance.

  
\_\_\_\_\_

Brent Reems, Acting Administrator

# District of Saanich Long-Term Financial Plan Development

## Interim Report

January 2022





# Disclaimer

This interim report has been prepared by KPMG LLP (“KPMG”) for the District Of Saanich (“Client”) pursuant to the terms of our Agreement with the Client dated June 3, 2021. KPMG neither warrants nor represents that the information contained in this report is accurate, complete, sufficient or appropriate for use by any person or entity other than Client or for any purpose other than set out in the Engagement Agreement. This interim report may not be relied upon by any person or entity other than Client, and KPMG hereby expressly disclaims any and all responsibility or liability to any person or entity other than Client in connection with their use of this report.

This report is based on information and documentation that was made available to KPMG at the date of this report. KPMG has not audited nor otherwise attempted to independently verify the information provided unless otherwise indicated. Should additional information be provided to KPMG after the issuance of this report, KPMG reserves the right (but will be under no obligation) to review this information and adjust its comments accordingly.

Pursuant to the terms of our engagement, it is understood and agreed that all decisions in connection with the implementation of advice and recommendations as provided by KPMG during the course of this engagement shall be the responsibility of, and made by, the District of Saanich. KPMG has not and will not perform management functions or make management decisions for the District of Saanich.

This interim report may include or make reference to future oriented financial information. Readers are cautioned that since these financial projections are based on assumptions regarding future events, actual results will vary from the information presented even if the hypotheses occur, and the variations may be material.

Comments in this interim report are not intended, nor should they be interpreted, to be legal advice or opinion.

KPMG has no present or contemplated interest in the District of Saanich nor are we an insider or associate of the District of Saanich. Accordingly, we believe we are independent of the District of Saanich and are acting objectively.

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# Project Overview

District of Saanich  
Long-Term Financial Plan Development  
Interim Report

## Project Overview

# Project Objectives

## Introduction

This interim report was prepared to present observations and evidence to form a potential case for change arising from comparative research and interviews with Councillors and Management at the District of Saanich. This summary of findings will provide the foundation for possible opportunities to develop the long-term financial plan and improve the overall effectiveness and efficiency of the District's current service delivery model including financial planning and management of District assets.

## Project Objectives

KPMG was engaged by the District of Saanich to develop a progressive and comprehensive long-term financial plan. The development of the plan is expected to be a collaborative process which promotes alignment between strategic priorities and various municipal strategies, addresses future challenges and enables long-term sustainability. Overall, the project will:

1. Develop projections for the ongoing costs of current service levels;
2. Evaluate the long-term financial impacts of the District's major plans and strategies approved by Council;
3. Evaluate sources and methods of funding for future operating and capital expenditures;
4. Create the District's financial sustainability policy/framework;
5. Model scenarios using capital plan data for consideration of the implication of various reserve and other policies on fiscal sustainability;
6. Engage with a broad range of staff and council and with the public, as needed, to understand the implications of various policy options and facilitating a financial planning workshop or committee of the whole meeting, if required;
7. Ensure the District aligns with the best practices of long-term financial planning; and,
8. Present the updated financial sustainability framework and long-term Financial Plan to Saanich Council.

# Project Principles and Timing

## Project Principles

KPMG will conduct the project with the following principles in mind:

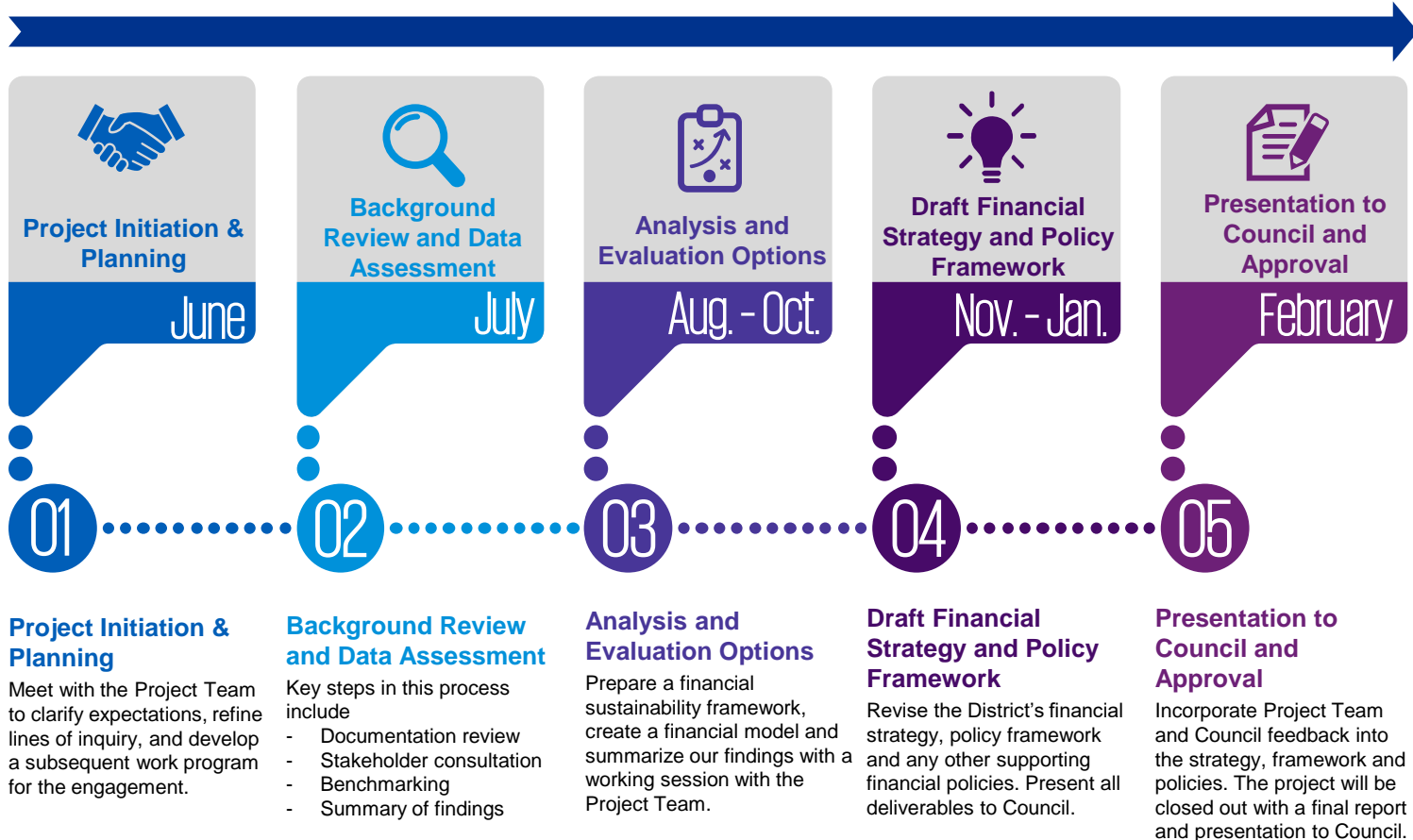
- The knowledge and expertise of District staff will be fully engaged and built upon, to arrive at recommended actions through a transparent, participative and inclusive process facilitated by KPMG.
- The development of the long-term financial plan will be conducted in a way that engages District employees.
- The aim is to, wherever possible, transfer knowledge and necessary “tools” to District staff to enable them to better develop their own solutions to operational and process issues and challenges over time.
- The framework and approach will be based on leading practices from other municipalities, or other levels of government experience and/or private sector.
- Lastly, this not an audit nor a deeper-dive operational review. This is a review to build on successes and identify opportunities to improve the efficiency and effectiveness of how the District delivers services to District of Saanich citizens.

## Project Timing

- The project began on June 30, 2021 and will be completed when the Final Report is presented to Council in February 2022.

Project Overview

# Project Principles and Timing





# Long-Term Financial Planning Explained

District of Saanich  
Long-Term Financial Plan Development  
Interim Report

## Introduction

As defined by the Government Finance Officers Association ('GFOA'), long-term financial planning combines financial forecasting and strategizing and in doing so, allows municipalities to address future issues by developing and evaluating different financial scenarios. More formally, financial planning involves 'the process of projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios and other salient variables' thereby allowing municipalities to align 'financial capacity with long-term service objectives'.

Recommended by the GFOA as a best practice, the District has embarked on the preparation a long-term financial plan that is intended to establish a series of principles and policies that will guide its financial management over a ten year planning period. In addition to forecasting operating and capital requirements and associated sources of funding, the long-term financial plan also forms the basis for financial policies for the District's budgeting, borrowing, capital financing and reserve and reserve fund management.

## Long-Term Financial Planning Explained

Together with the District's strategic plan and annual budgets, the long-term financial plan is intended to be a component of the District's planning, budgeting and evaluation cycle, which is intended to:

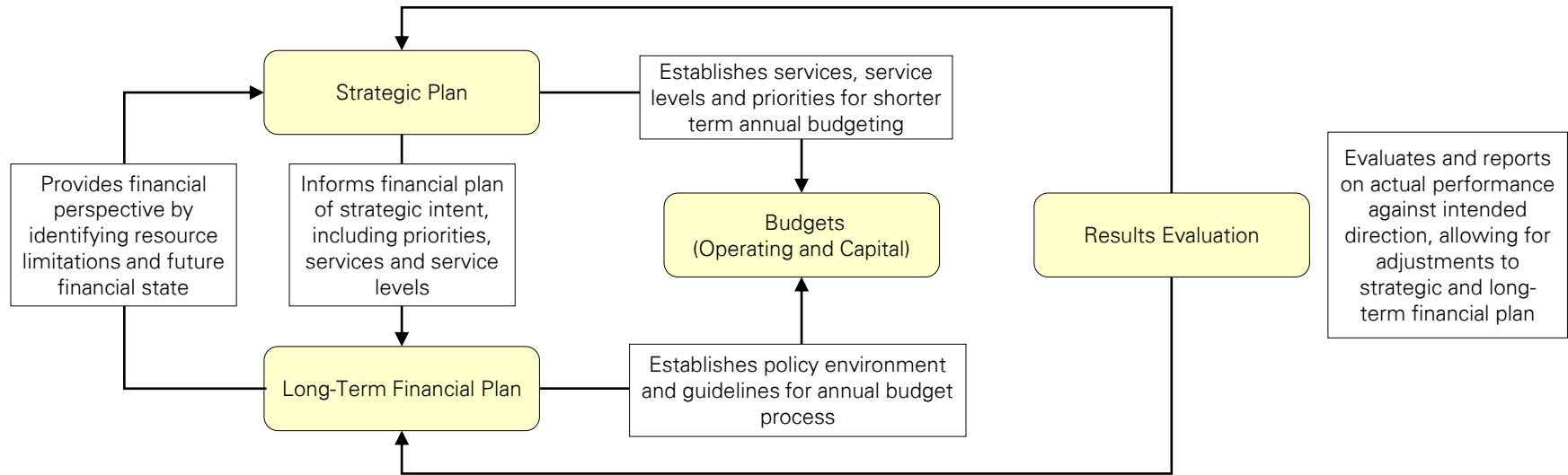
- a) Identify services and service levels for District residents, thereby establishing strategic intent;
- b) Incorporate financial considerations into the District's overall planning process, ensuring that the District's financial planning does not compromise long-term perspective by overly focusing on details;
- c) Prioritize financial investments based on long-term forecasts, thereby ensuring priorities are identified and appropriately funded;
- d) Ensuring consistency and discipline in the financial planning and budgeting processes by establishing policies for financial decision-making; and
- e) Contributing towards continuous improvement by establishing and reporting on financial performance indicators.

A graphical depiction of the linkage between the various components of the District's financial planning, budgeting and evaluation cycle is provided on the following page.



Long-Term Financial Planning

# Linkage Between Strategic and Operational



	Strategic Plan	2021 Financial Plan	Other Documents
Organizational vision	●	●	N/A
Long-term forecasting (revenue, expenditures, capital, debt, reserves)	N/A	◐	N/A
General environmental scan	◐	◐	N/A
Fiscal environment analysis	◐	●	N/A
Service demand planning	○	●	N/A
Service prioritization	N/A	N/A	●
Resource allocation	○	◐	N/A
Management planning	○	◐	●

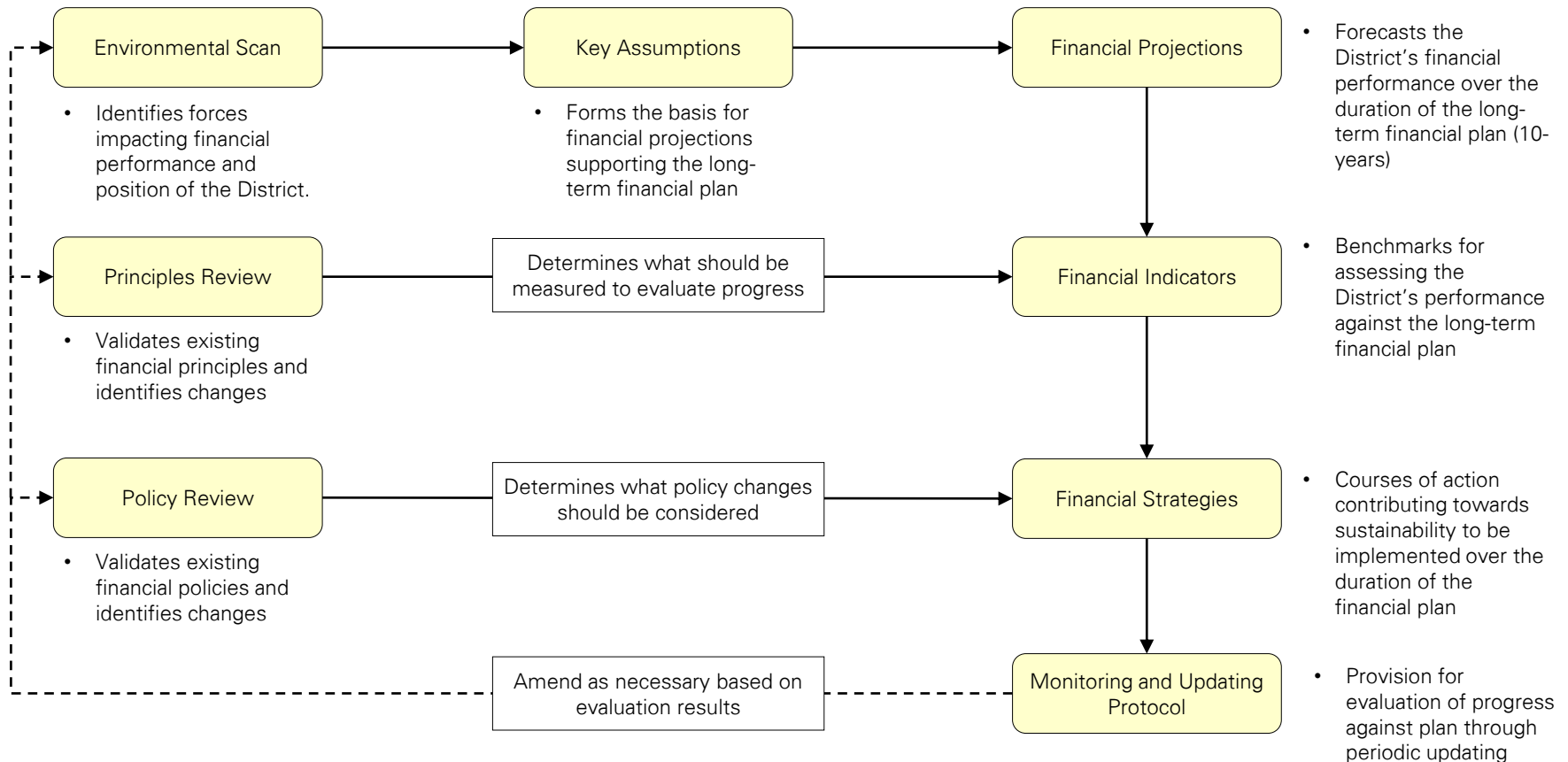
Evaluates and reports on actual performance against intended direction, allowing for adjustments to strategic and long-term financial plan

KPMG evaluated the District’s Strategic Plan and Financial Plan for long-term financial plan considerations (left)

Does not address ○ Partially addresses ◐ Fully addresses ●

# Long-Term Financial Plan Components

As discussed in more detail in this report, the long-term financial plan is comprised of the following major components.



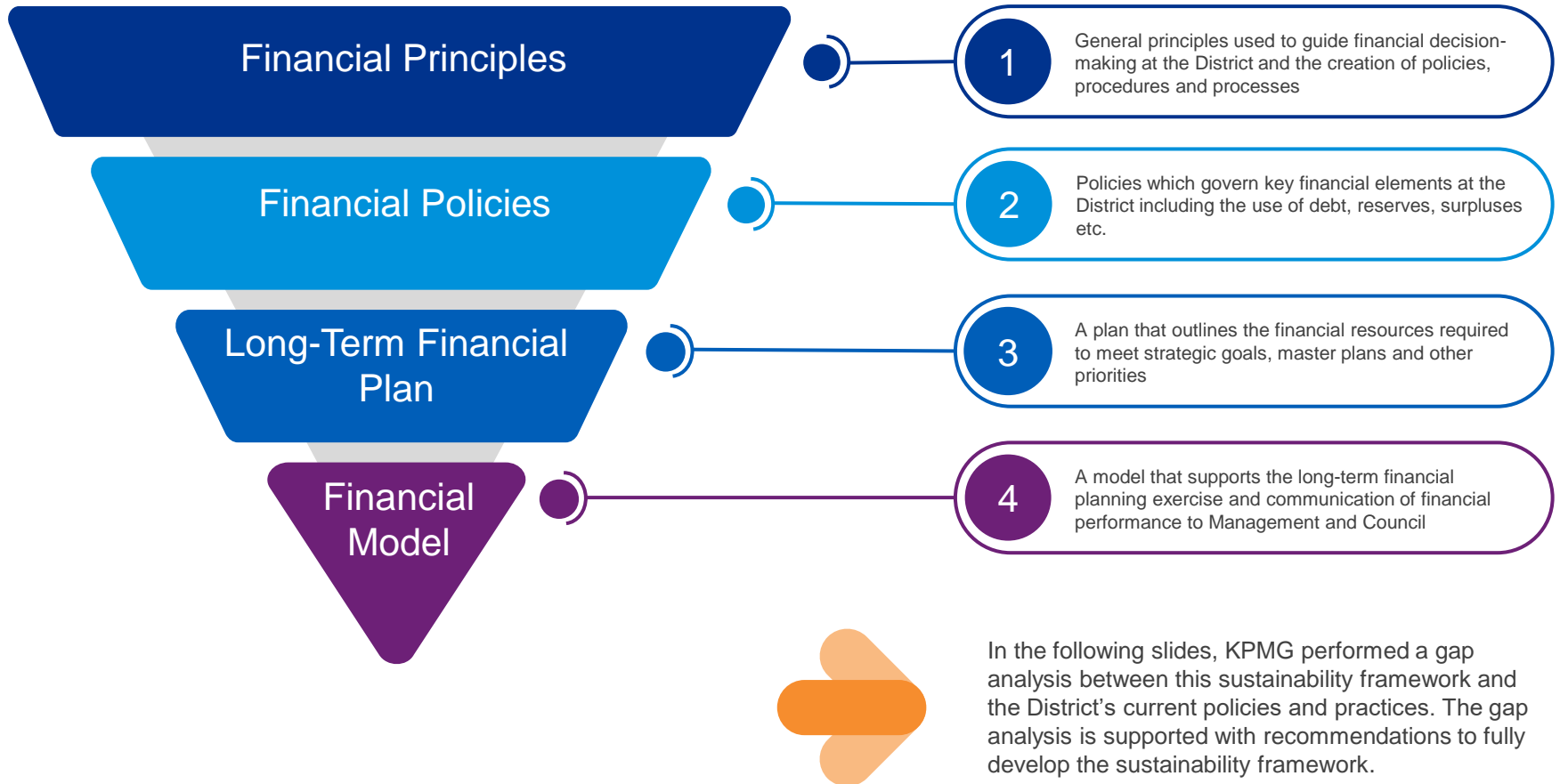


# Sustainability Framework & Gap Analysis

District of Saanich  
Long-Term Financial Plan Development  
Interim Report



# Elements of the Sustainability Framework

KPMG recommends the following four (4) elements to create a robust financial sustainability framework for the District. It is important to note that the District has already implemented most of these elements to varying degrees. Recommendations for improvements are noted in the following slides.





# Sustainability Framework: Gap Analysis

KPMG performed a gap analysis to identify recommendations that will enhance the District's sustainability framework. The gap analysis was performed by evaluating the District's existing policies, plans and models against the four (4) elements of the proposed sustainability framework.

	Existing Elements Present at the District of Saanich	Observation / Gap	Recommendation
 <p><b>1. Financial Principles</b></p>	1. N/A	1. The District does not have a formal Financial Principles document that Council has approved	1. Adopt a Financial Principles document to guide financial decision-making.
 <p><b>2. Financial Policies</b></p>	1. Existing Policies <ul style="list-style-type: none"> <li>I. Asset Management</li> <li>II. Debt Management</li> <li>III. Reserves &amp; Surplus</li> <li>IV. Investments</li> </ul>	1. The Reserves & Surplus Policy stipulates that the District will establish minimum and optimal reserve balances and a review of optimal balances will be undertaken annually and approved by Finance, Audit and Personnel Committee. Based on information gathered, these balances have yet to be established and reviewed.	1. Establish minimum and optimal reserve balances and update the Reserves & Surplus Policy accordingly. Schedule review of these reserve balances annually during the budget season with recommendations to increase levels sent to Council for approval.

# Sustainability Framework: Gap Analysis

KPMG performed a gap analysis to identify recommendations that will enhance the District's sustainability framework. The gap analysis was performed by evaluating the District's existing policies, plans and models against the four (4) elements of the proposed sustainability framework.

	Existing Elements Present at the District of Saanich	Observation / Gap	Recommendation
 <p><b>3. Financial Plan</b></p>	<ol style="list-style-type: none"> <li>2021-2025 Financial Plan (approved by Council)</li> </ol>	<ol style="list-style-type: none"> <li>There is no requirement to develop cost projections for master plans sent to Council for approval. As a result, some, but not all, master plans are adopted without a detailed understanding of future cost implications. In turn, the District's Financial Plan, which is partially supported by these master plans, understates the District's future cost projections.</li> </ol>	<ol style="list-style-type: none"> <li>Require all master plans to contain cost projections before obtaining approval from Council, leading to improved accuracy of cost projections in future financial plans and budgets.</li> <li>Further refine and mature Asset Management Plan expenditures and incorporate them in future financial plans.</li> </ol>
 <p><b>4. Financial Model</b></p>	<ol style="list-style-type: none"> <li>Spreadsheets and workbooks supporting the Long-Term Financial Plan</li> </ol>	<ol style="list-style-type: none"> <li>There is no financial model that is a single source of financial truth for the District.</li> </ol>	<ol style="list-style-type: none"> <li>Consolidate all the capital worksheets across the organization into one financial model.</li> <li>Use the KPMG model as a basis for reporting financial performance against the Long-Term Financial Plan until the District implements new budgeting and reporting software.</li> </ol>



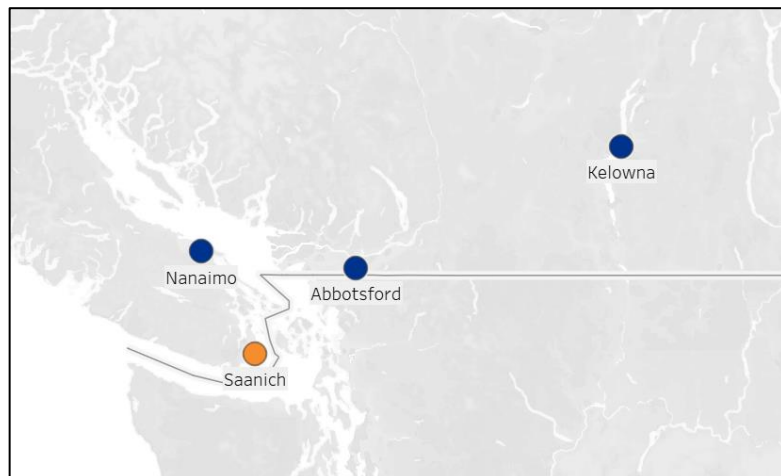
# Benchmarking & Financial Perspectives

District of Saanich  
Long-Term Financial Plan Development  
Interim Report

Financial indicators are tools to assess how the District's financial performance compares against the long-term financial plan. In May 2009, PSAB released a Statement of Recommended Practice that provided guidance on how public sector bodies should report on indicators of financial condition. This guidance recommended that three factors, at a minimum, need to be considered:

1. **Sustainability** – the degree to which the Municipality can deliver services and meet its financial commitments without increasing its debt or tax burden relative to the economy in which it operates
2. **Flexibility** – the Municipality's ability to increase its available sources of funding (debt, taxes or user fees) to meet increasing costs
3. **Vulnerability** – the extent to which the Municipality is dependent on sources of revenues, predominantly grants from senior levels of government, over which it has no discretion or control

In addition, the benchmarking of financial indicators allows the District to understand the financial performance of its comparators and identify how it is financially positioned relative to its comparators. For the purposes of the project, three (3) comparator communities were selected as municipal comparators based upon Council policy, population size, urban/rural characteristics, geography and financial condition:



Municipality	Population <sup>1</sup>	Households <sup>2</sup>	Land Area Square KM <sup>1</sup>
District of Saanich	125,107	49,986	104
Nanaimo	101,336	45,778	91
Abbotsford	161,581	58,478	379
Kelowna	146,127	60,541	214
<b>Average</b>	<b>133,538</b>	<b>53,696</b>	<b>197</b>

Sources: 1- General Statistics – Schedule 201 (BC Stats); 2- Capital Regional District 2019-2038 Population, Dwelling Units and Employment Projection Report (2019)



# Overview of the District's Financial Performance

The District of Saanich's 2021 budget reflects a total municipal levy of \$140.2 million.

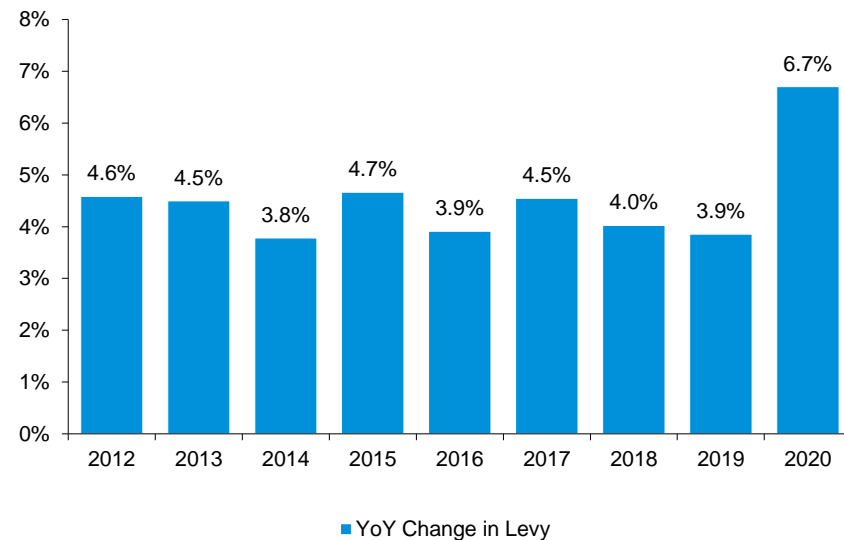
Over the period of 2012 to 2020, the District's municipal levy increased by an average of \$4.9 million or 4.5% per year<sup>1</sup>. In comparison, the BC Consumer Price Index increased on average 1.4% annually since 2012<sup>2</sup>, reflecting the increasing cost of local government services and the growth in the District's physical operations and assets.

It is important to note that the annual increases in the District's municipal levy were relatively consistent from 2012 to 2019, with a large annual increase experienced in 2020 (6.7%). The leading practice for tax policy is to levy increases that are steady and predictable over a five to ten year period. This builds confidence and sustainability in the District's financial plan from residential, commercial and industrial ratepayers.

Municipal Levy – 2011 to 2020 (millions of dollars)<sup>1</sup>



Year-over-Year Change in Levy – 2012 to 2020<sup>1</sup>



Sources: 1- District of Saanich – Statements of Financial Information (2012-2020); 2- Consumer Price Index, Annual Average, Not Seasonally Adjusted (Table 18-10-0005-01, StatsCan)

# Benchmarking & Financial Perspectives

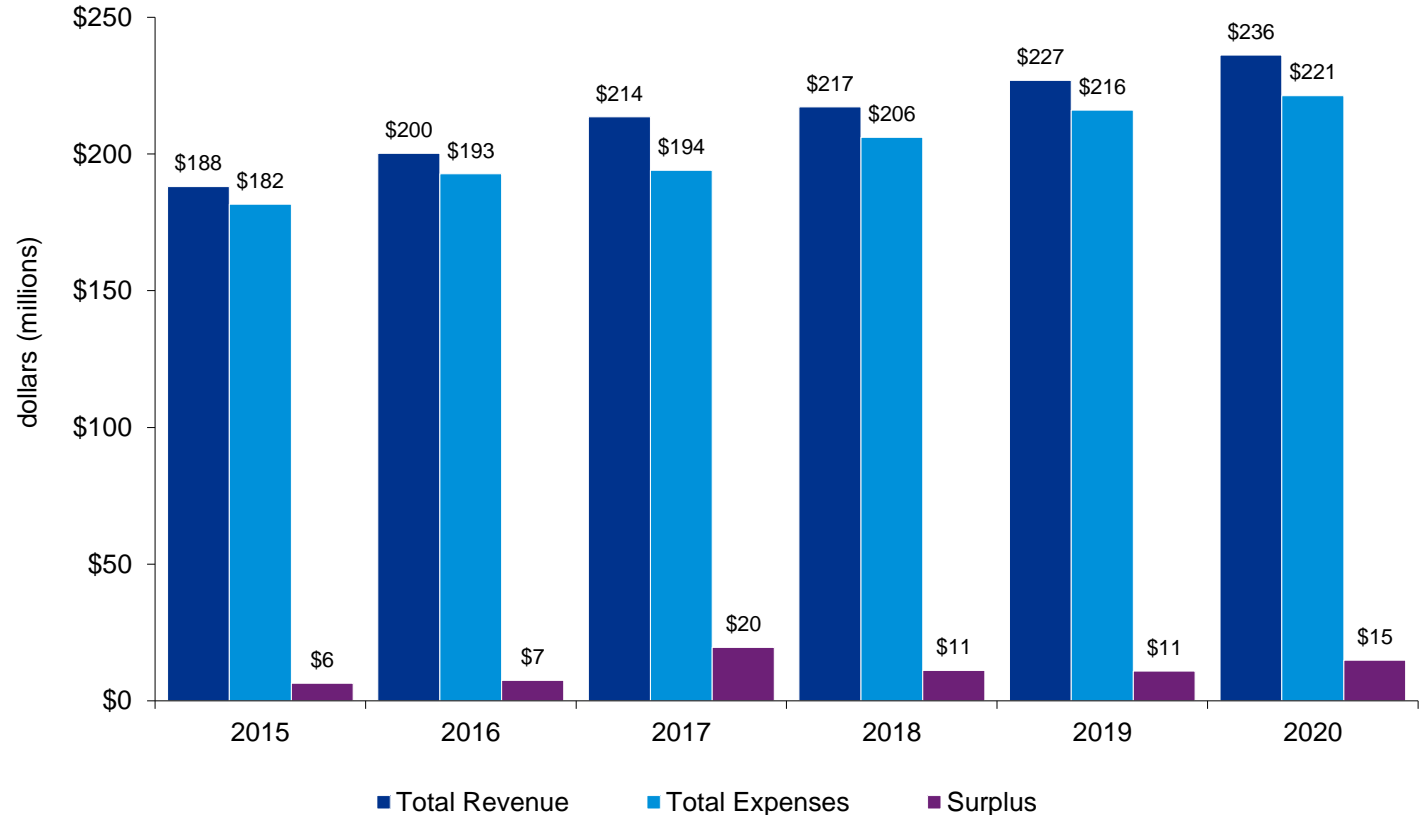
## Reported Operating Results (in millions)

DRAFT – FOR DISCUSSION PURPOSES ONLY

Municipalities in Canada are not allowed to budget for a deficit in their operational budgets. Nonetheless, if we look at their financial statements we can understand if the municipality is financing budget deficits through the use of reserves or debt financing.

Over the short-term the financing of budget deficits is sustainable, but prolonged use of reserves or debt will place a municipality in a financially exposed position.

In the case of Saanich, the District recorded a surplus for the past six years which indicates good financial stewardship and long-term planning.



Sources: District of Saanich – Statement of Financial Information (2015-2020)

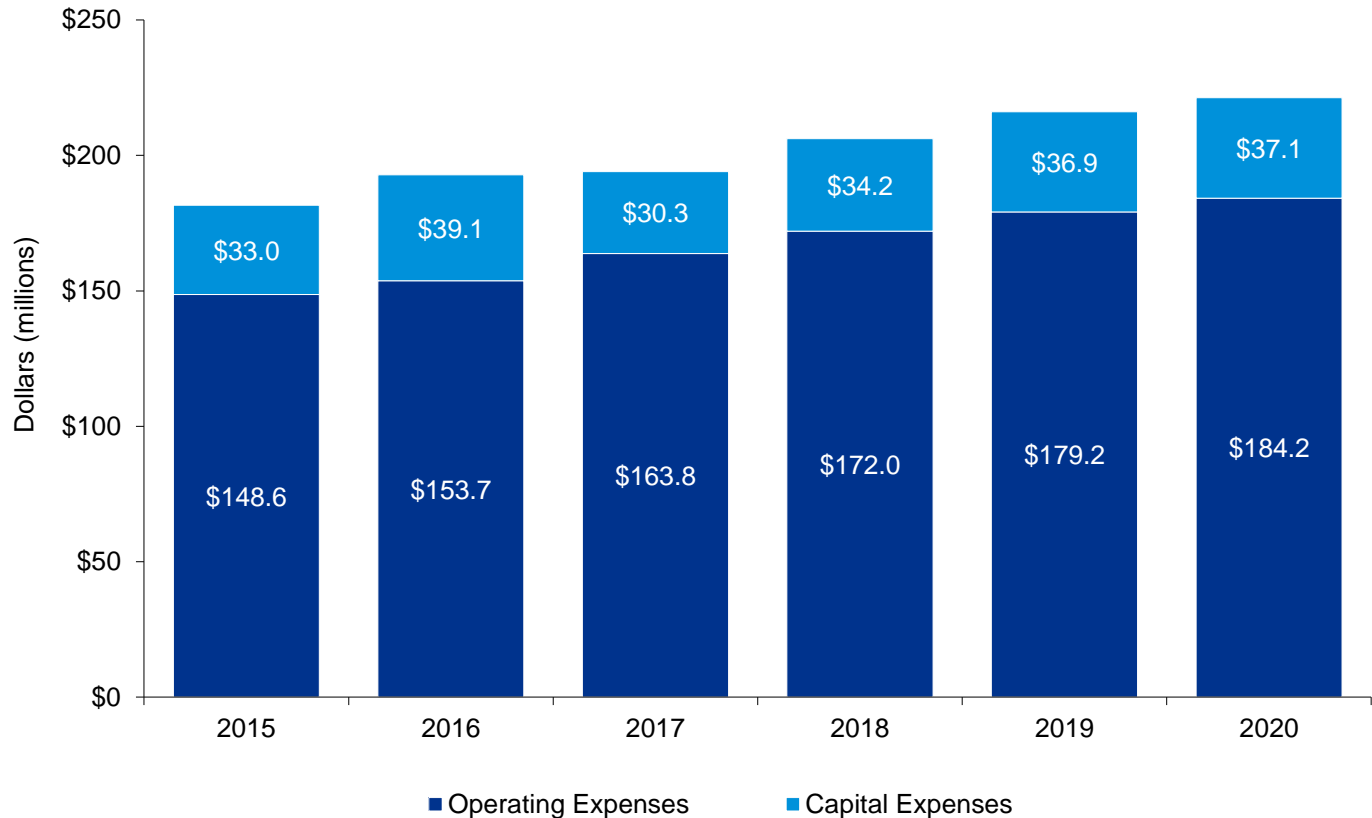
Equation: Surplus = Total Revenue – [ Total Expenses – Amortization of TCA – Losses on Disposal of TCA + Acquisition of TCA + Developer Contributions of TCA ]



# Operating and Capital Expenditures (in millions)

The District's investment in capital assets increased every year between 2015 to 2020, and represented 17% of all expenditures on average during that time.

Capital investment needs will increase with projected population growth and anticipated results from the planned Asset Management Plans.



Sources: District of Saanich – Statement of Financial Information (2015-2020)

Equation 1: Operating Expenses = Total Expenses – Amortization of TCA – Losses on Disposal of TCA

Equation 2: Capital Expenses = Acquisition of TCA + Developer Contributions of TCA

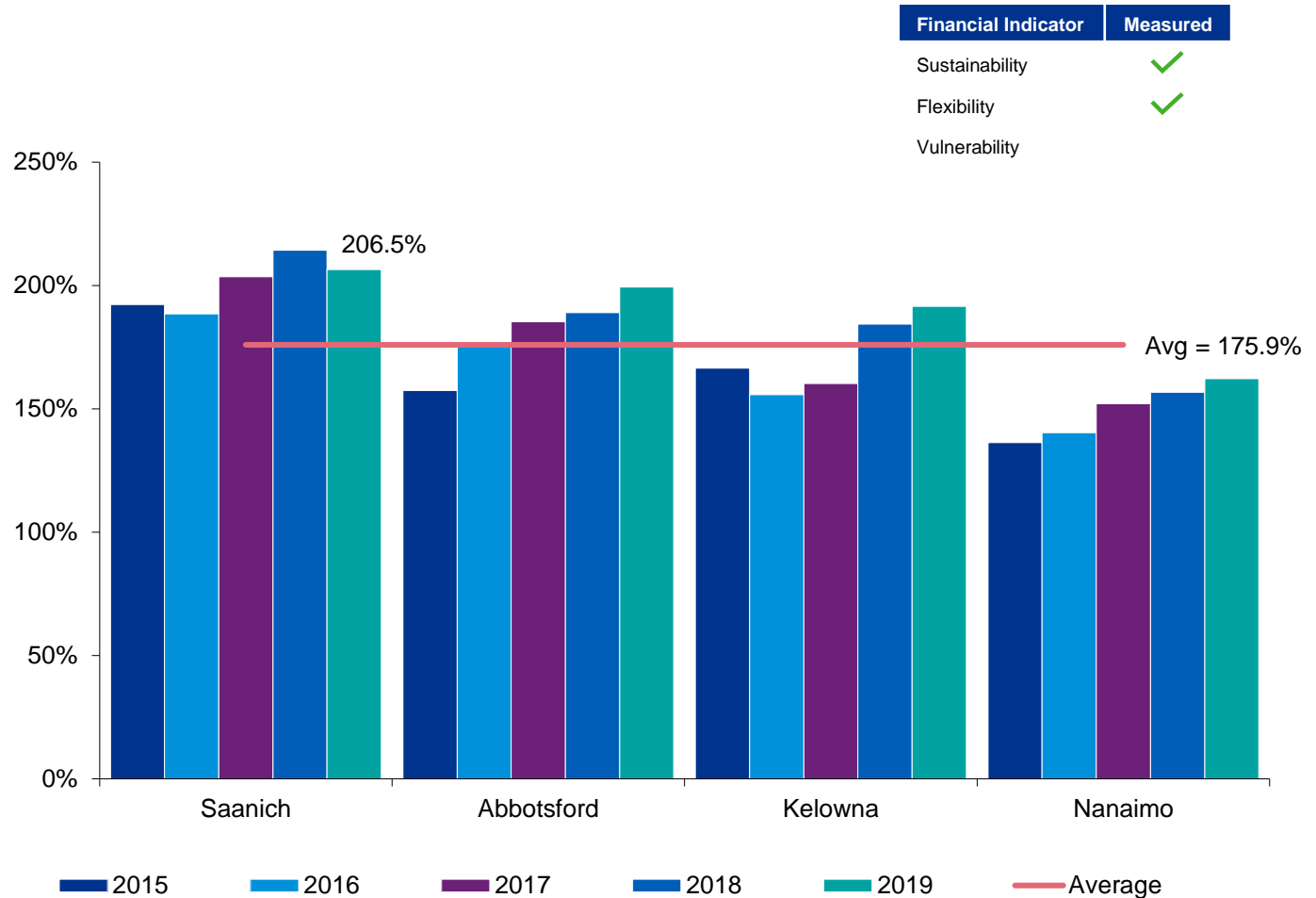
# Benchmarking & Financial Perspectives

## Financial Assets to Total Liabilities

DRAFT – FOR DISCUSSION PURPOSES ONLY

This financial indicator provides an assessment of the District's solvency by comparing financial assets (including cash, investments and accounts receivable) to total liabilities (accounts payable, deferred revenue and long-term debt). Low levels of financial assets to financial liabilities are indicative of limited financial resources available to meet cost increases or revenue losses.

In 2019, Saanich had a Financial Assets to Total Liabilities ratio of 206.5%. It sits above the comparator average indicating that the District has enough financial resources available to meet any solvency challenges relative to its peers.



Sources: Summary Statement of Financial Position – Schedule 304 (2015-2019, BC Stats)

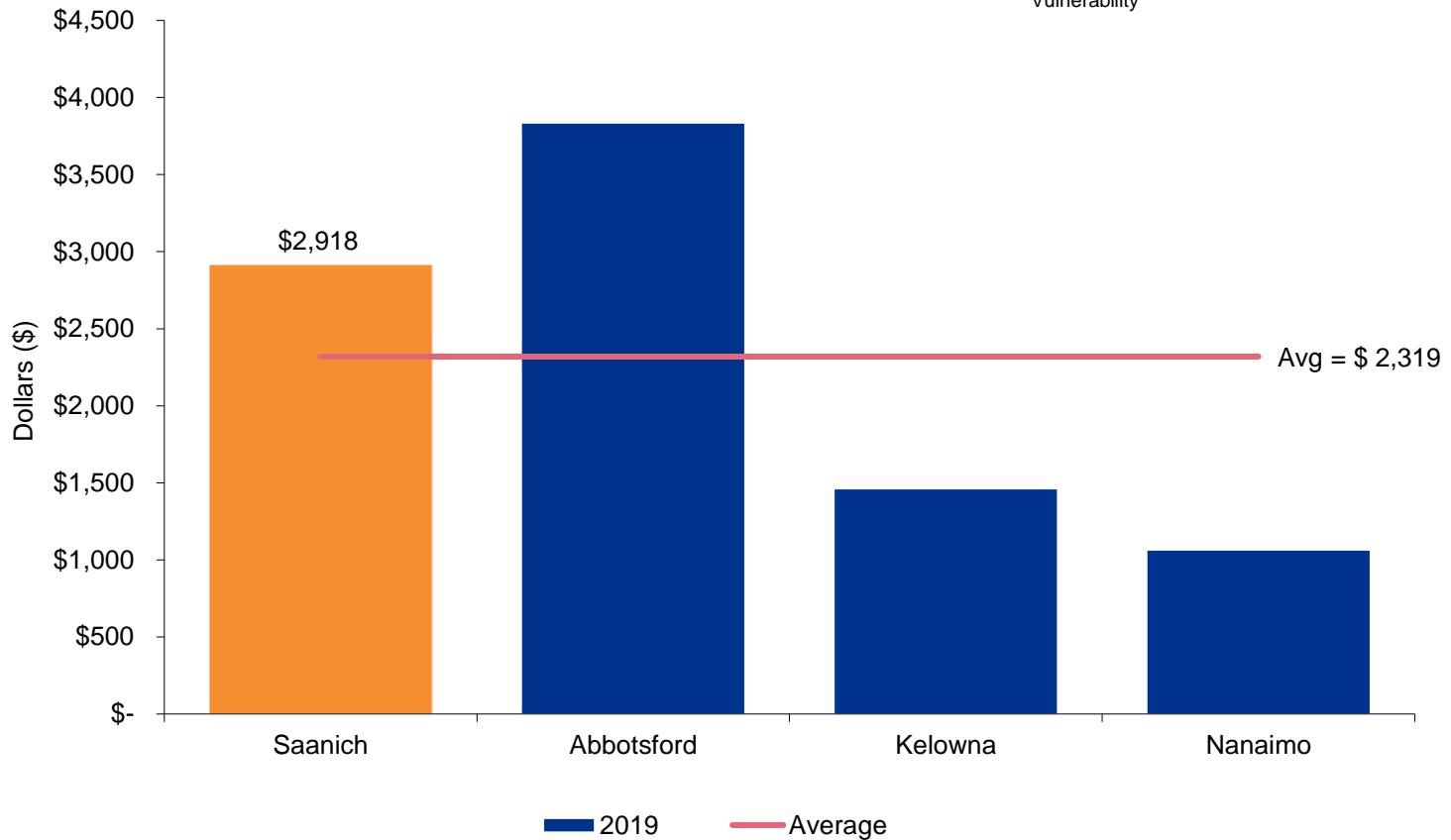
Equation: Total Financial Assets / Total Liabilities

# Total Statutory Reserves and Capital Funds per Household (2019)

Financial Indicator	Measured
Sustainability	✓
Flexibility	✓
Vulnerability	

This financial indicator provides an assessment of the District’s ability to fund capital expenses from reserves as opposed to taxation, user fees or debt. Low levels of reserves are indicative of a limited capacity to deal with cost increases or revenue losses, requiring the District to revert to taxation or user fee increases or the issuance of debt.

In 2019, the District of Saanich had a Total Statutory Reserve per Household ratio of \$2,918.



Sources: Capital Regional District 2019-2038 Population, Dwelling Units and Employment Projection Report (2019); Municipal and sub-provincial areas population (2011 to 2020, BC Stats)

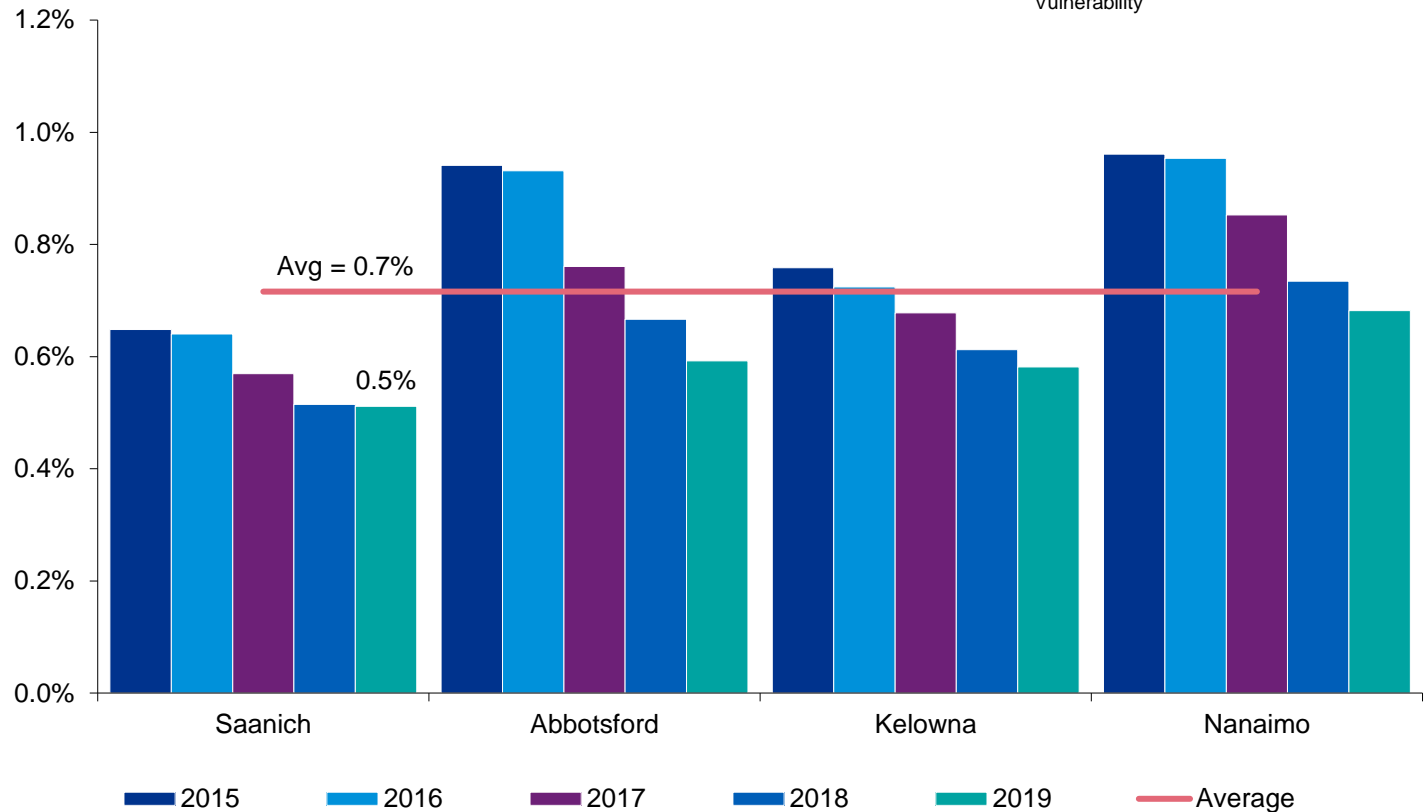
Equation: ( Statutory Water Reserves + Statutory Sewer Reserves + Other Statutory Reserves + Capital Funds ) / Total Households

# Total Expenses as a Percentage of Taxable Assessment

Financial Indicator	Measured
Sustainability	✓
Flexibility	✓
Vulnerability	

This financial indicator provides an assessment of the District's solvency by determining the extent to which increases in operating expenses correspond with increases in taxable assessment. If increases correspond, the District can fund any increases in operating costs without raising taxation rates.

In 2019, Saanich's total operating expenses were 0.5% of taxable assessment. Though below the municipal average, this indicator has decreased incrementally since 2015 when evaluated against the comparator group.



Sources: Consolidated Expenses – Schedule 402 (2015-2019, BC Stats); Local Government Population & Number of Regional Directors (2015-2019)  
 Equation: Operating Expenses / General Purposes Assessment

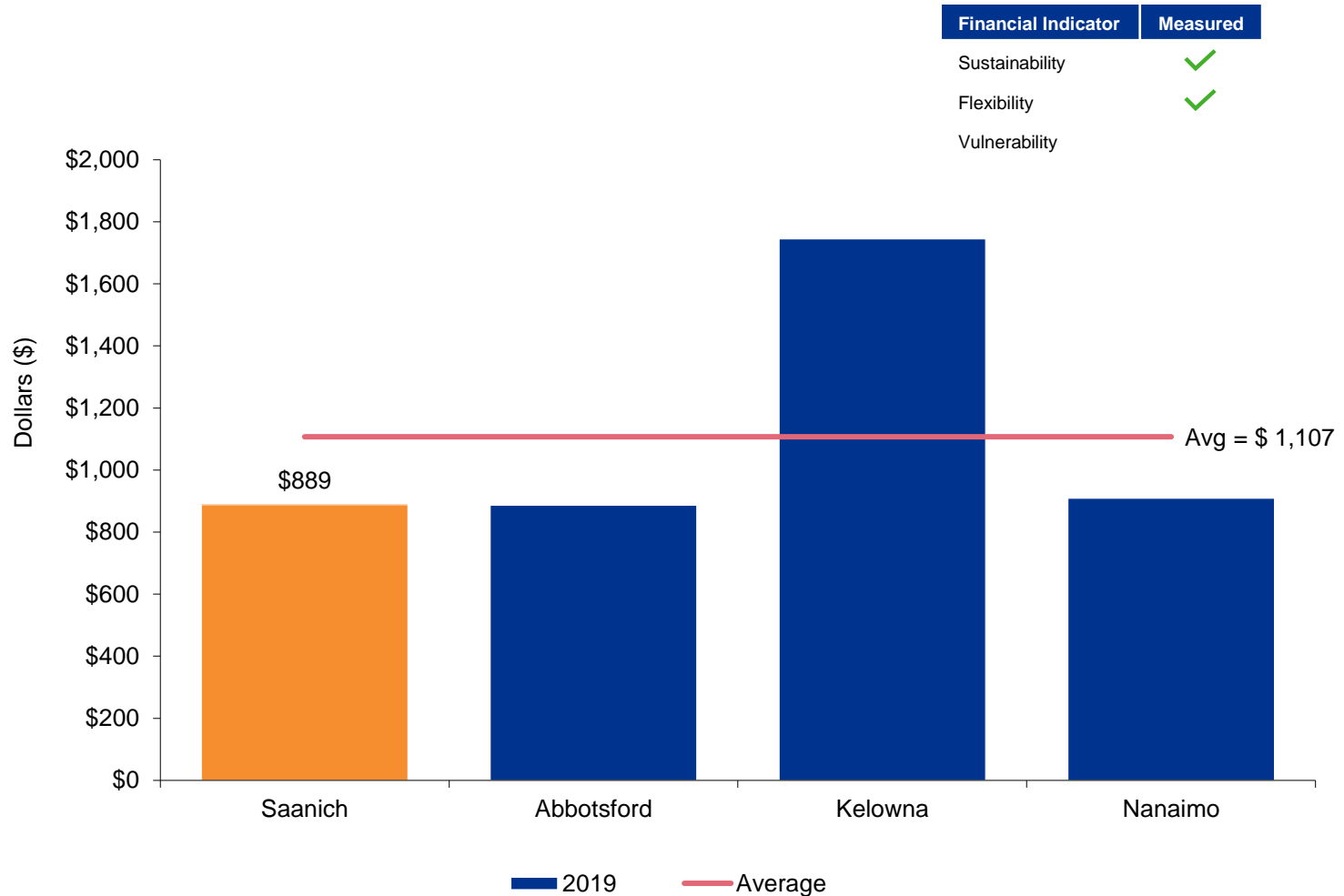
# Benchmarking & Financial Perspectives

## Total Debt per Household (2019)

DRAFT – FOR DISCUSSION PURPOSES ONLY

This financial indicator provides an assessment of the District's ability to issue more debt by considering the existing debt loan on a per household basis. High debt levels per household may preclude the issuance of additional debt.

In 2019, the District of Saanich had an average household debt of \$889. Low debt per household levels indicates the District has flexibility in the use of debt as a financing tool.

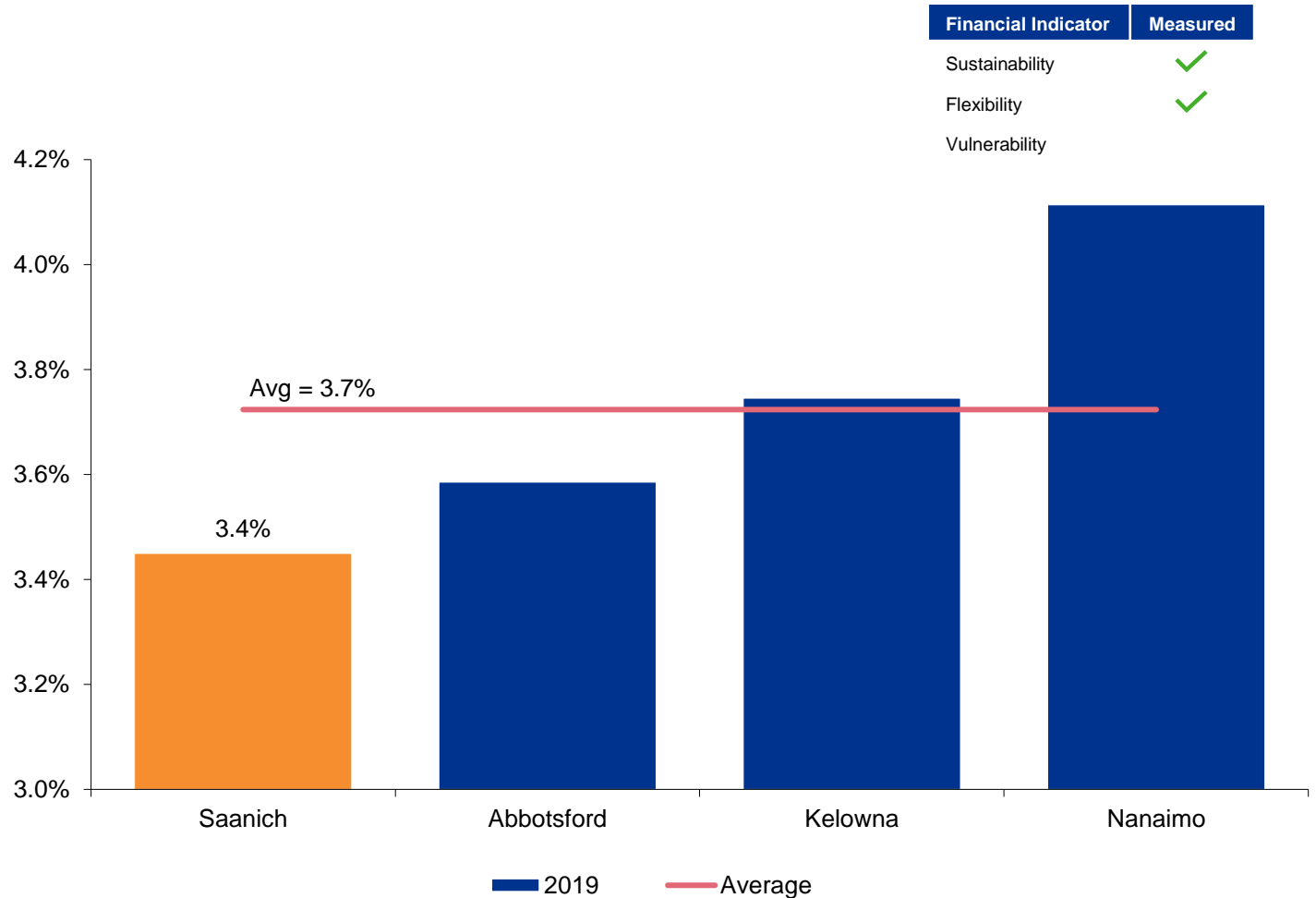


Sources: Revenue – Long-Term Debt & Debt Charges – Schedule 601.1 (2019, BC Stats); Capital Regional District 2019-2038 Population, Dwelling Units and Employment Projection Report (2019); Municipal and sub-provincial areas population (2011 to 2020, BC Stats)  
Equation: Total Debt at Year End / Total Households

# Residential Taxation as a percentage of Median Household Income

This financial indicator provides an indication of potential affordability concerns by calculating the percentage of total household income used to pay municipal property taxes.

This indicator provides information on the average household spend on residential taxes. With a 2019 spend of 3.4% of household income, Saanich's residential taxation as a percentage of household income is lower in comparison to its peers. This effect is mainly attributable to taxation given Saanich has the highest median income (\$77,282) within the comparator group.



Financial Indicator	Measured
Sustainability	✓
Flexibility	✓
Vulnerability	

Sources: Revenue – Consolidated Revenue – Schedule 401 (2015-2019 , BC Stats); Capital Regional District 2019-2038 Population, Dwelling Units and Employment Projection Report (2019); Municipal and sub-provincial areas population, 2011 to 2020, BC Stats; 2016 Census, StatsCan Equation: ( Total Own Purpose Taxation and Grants in Lieu / Total Households ) / 2015 Median Income per Household



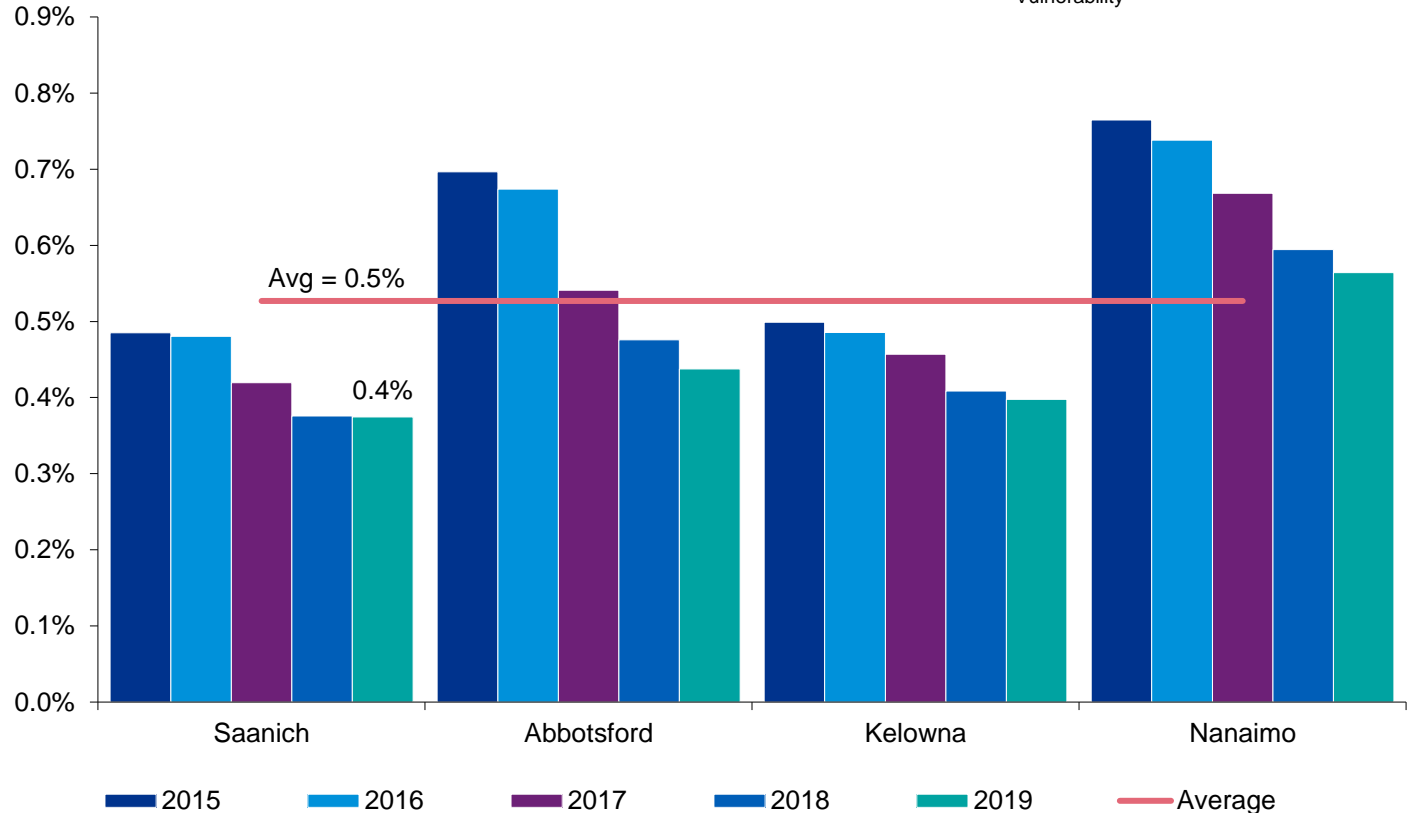
# Total Taxation as a Percentage of Taxable Assessment

Financial Indicator	Measured
Sustainability	✓
Flexibility	✓
Vulnerability	

This financial indicator provides an indication of potential affordability concerns by calculating the District's overall rate of taxation. Relatively high tax levy requirements as a percentage of total assessment may limit the District's ability to generate incremental revenues in the future.

This indicator will not address affordability issues that may apply to individual property classes (e.g. commercial).

Relative to its comparators, Saanich has a low tax levy requirement as a percentage of total assessment which provides opportunities to generate incremental revenues in the future.

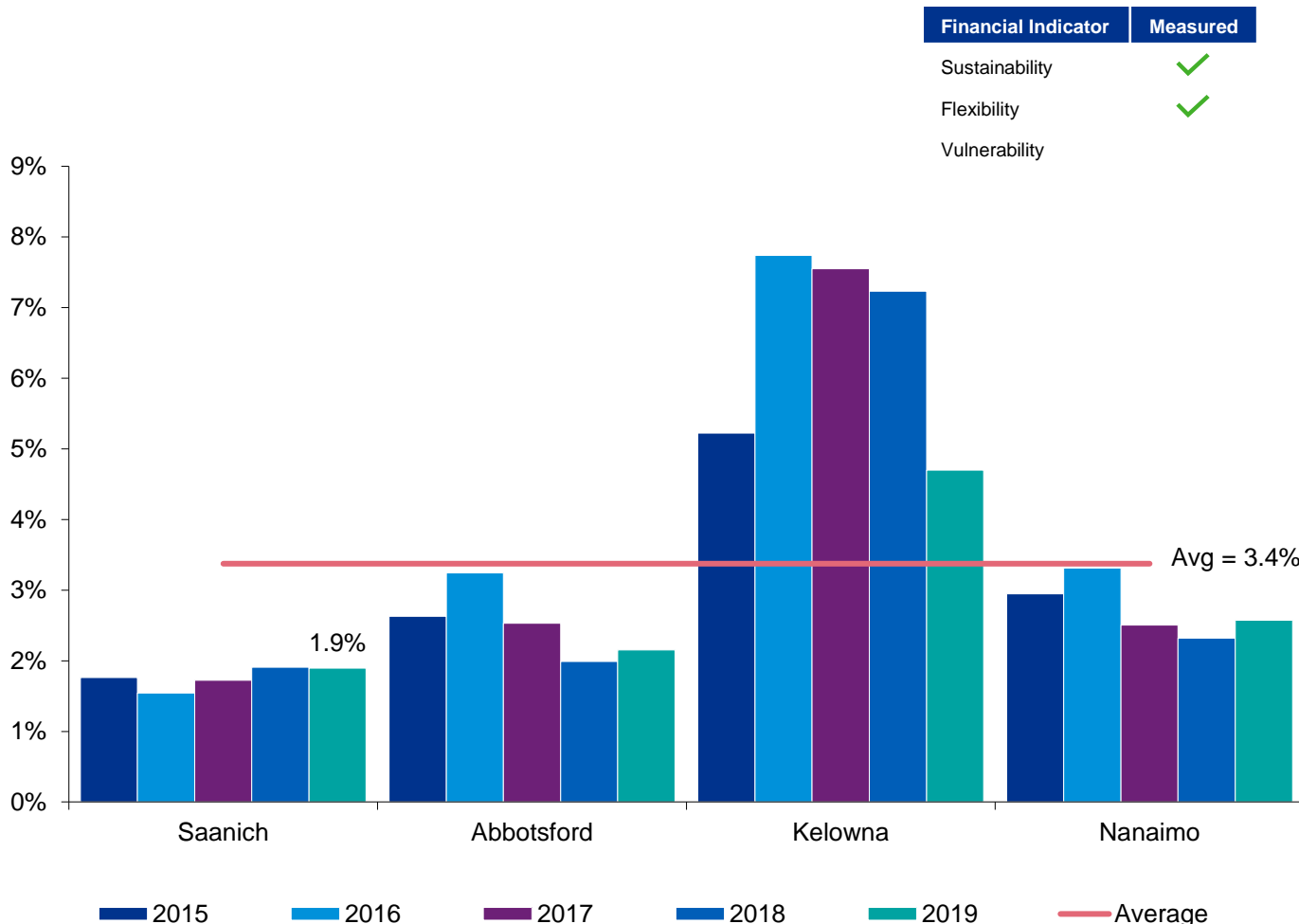


Sources: Consolidated Revenue – Schedule 401 (2015-2019, BC Stats); Local Government Population & Number of Regional Directors (2015-2019)  
 Equation: Total Own Purpose Taxation and Grants in Lieu / General Purposes Assessment

# Debt Servicing (Principal + Interest) as a Percentage of Total Revenues

This financial indicator provides an indication as to the District's overall indebtedness by calculating the percentage of revenues used to fund long-term debt servicing costs. The District's ability to issue additional debt may be limited if debt servicing costs on existing debt are excessively high.

In 2019, Saanich spent 1.9% of total revenue to fund long-term debt servicing costs. This indicates the District has flexibility in the use of debt as a financing tool.



Financial Indicator	Measured
Sustainability	✓
Flexibility	✓
Vulnerability	

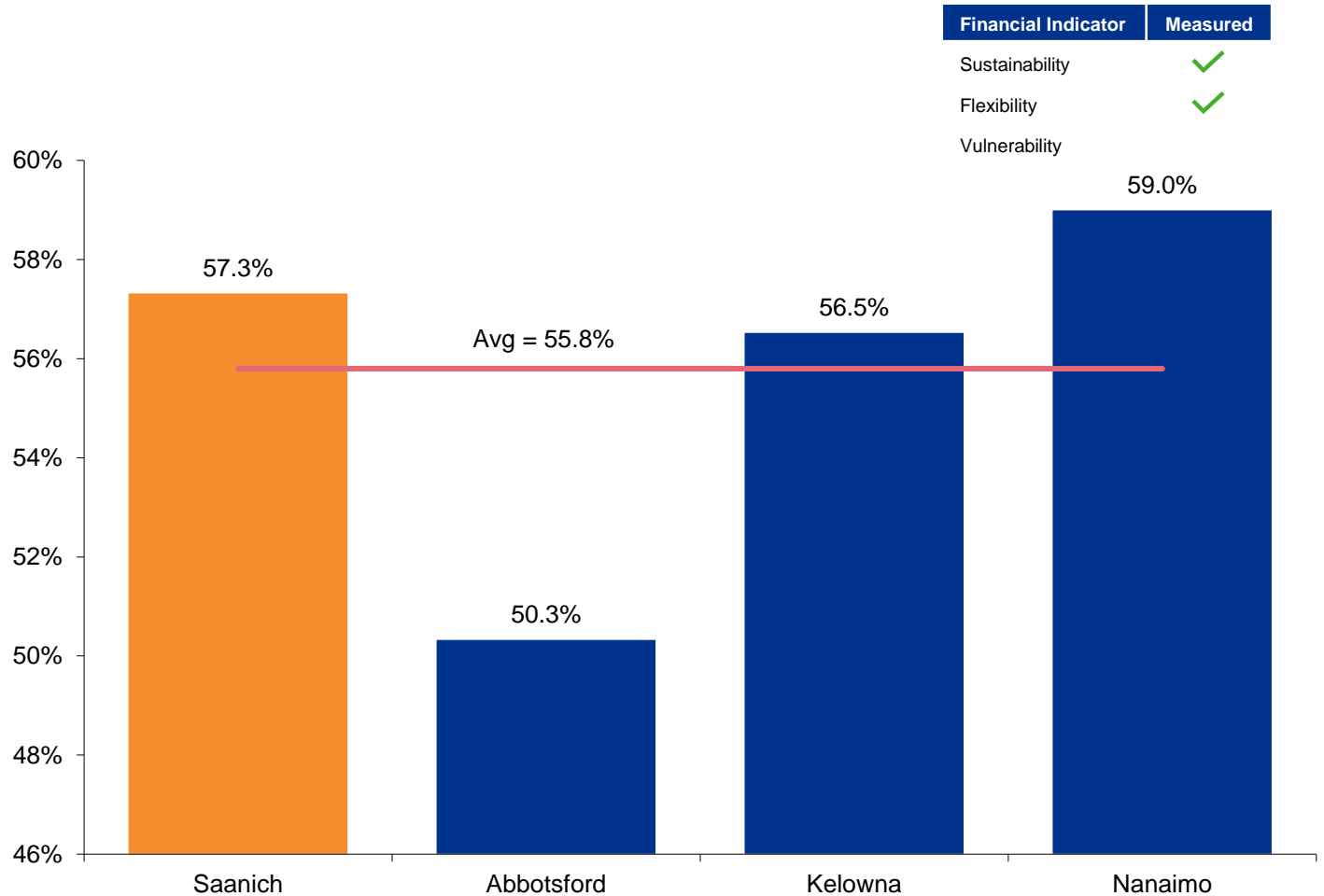
Sources: Revenue – Schedule 401 (2015-2019, BC Stats); Long-Term Debt & Debt Charges – Schedule 601.1 (2015-2019, BC Stats)  
 Equation: Debt Financing Cost in Year / Total Revenue

# Net Book Value of Tangible Assets as a Percentage of Historical Cost of Tangible Assets (2019)

This financial indicator shows the extent to which the District is reinvesting in its capital assets as they reach the end of their useful lives. An indicator of 50% indicates that the District is, on average, investing in capital assets as they reach the end of their useful lives, with indicators of less than 50% indicating that the District's reinvestment is not keeping pace with the aging of its assets.

A 2019 score of 57.3% indicates that Saanich is investing in its infrastructure and keeping pace with the aging of its assets.

*Note: The net book value and historical costs of Land and WIP has been excluded from this analysis to reflect only linear and non-linear infrastructure.*



Sources: Statement of Tangible Capital Assets – Schedule 503 (2019, BC Stats)

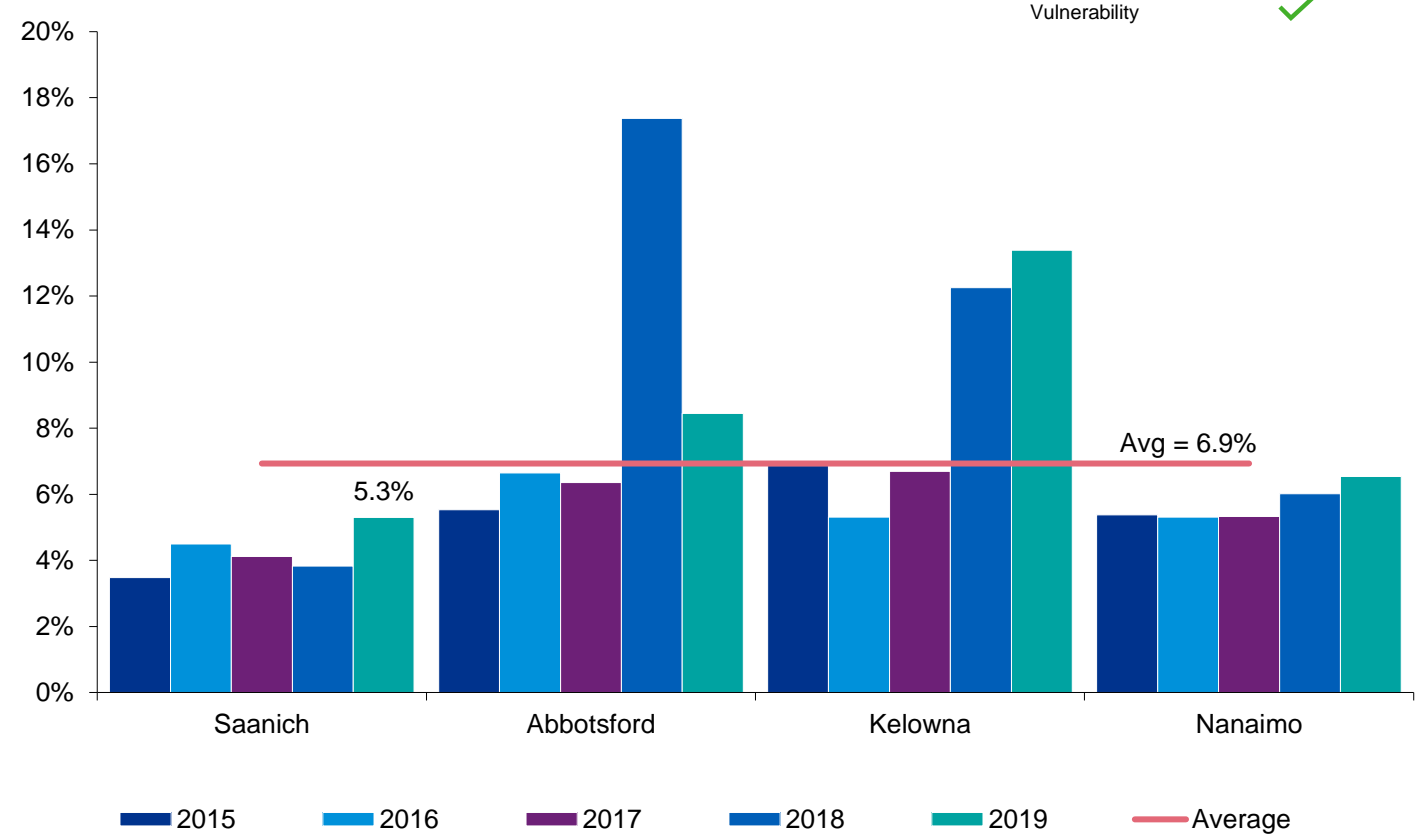
Equation: Net Book Value / Historical Cost

# Government Transfers as a Percentage of Total Revenues

Financial Indicator	Measured
Sustainability	
Flexibility	
Vulnerability	✓

This financial indicator provides an indication as to the municipality's degree of reliance on government transfers for the purposes of funding operating and capital expenses. The level of government transfers as a percentage of total revenues is directly proportionate with the severity of the impact of a decrease in operating and capital grants.

As Saanich's score increased by 1.8% from 2015 to 2019, this indicates the District is increasing the severity of any impact from the reduction in transfers from all levels of government. This effect is primarily driven by reliance on capital funding since operating transfers to the District only represented ~0.75% of all government transfers in 2019.



Sources: Revenue – Schedule 401 (2015-2019, BC Stats)

Equation: ( Federal Government Transfers + Provincial Government Transfers + Regional/Other Government Transfers ) / Total Revenue



# Next Steps

District of Saanich  
Long-Term Financial Plan Development  
Interim Report

# District of Saanich – Long-Term Financial Plan Development

## Next Steps

1

### Present the Interim Report to Council

Present the interim report to Council in a virtual meeting. Obtain and incorporate feedback into the interim report.

2

### Finalize the Long-Term Financial Forecast

Validate the forecast with the Project Team and incorporate results into the final report. The forecast is approximately 90% complete.

3

### Finalize Proposed Financial Principles

Validate proposed financial principles with the Project team. The principles are approximately 95% complete.

4

### Update District Policies and Strategy

Draft revisions to the District's financial policies and strategy to incorporate recommendations from the gap analysis and the proposed sustainability framework.

5

### Complete the Final Report

Update the final report with all work completed in the previous phases. Present the report to the Project team and incorporate feedback.

6

### Present the Final Report to Council

Present the final report to Council to close-out the project.



[kpmg.ca](https://kpmg.ca)



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# Memo

**To: Finance and Governance Standing Committee**  
**From: Jennifer Downie, Administrative Assistant**  
**Date: January 6, 2022**  
**Subject: 2022 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 2021. All meetings will be abiding by Provincial Health Orders, Covid-19 measures, and will held in Council Chambers (Committee Members only) until further notice:

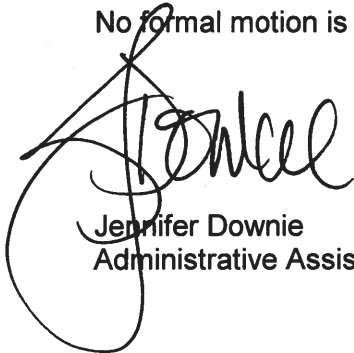
Monday, January 17, 2022 – 10:00 am to 11:30 am

Monday, April 11, 2022 – 10:00 am to 11:30 am

Monday, July 18, 2022 – 10:00 am to 11:30 am

**\*\*Monday, October 17, 2022 – 10:00 am to 11:30 am (date may need to be amended due to Municipal Elections on October 15<sup>th</sup>?)**

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



Jennifer Downie  
Administrative Assistant





## The Corporation of the District of Saanich

# Report

**To:** Finance and Governance Standing Committee  
**From:** Councillor Susan Brice, Chair  
**Date:** November 15, 2021  
**Subject:** Bylaw to Support Council Code of Conduct

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### RECOMMENDATION

That the Finance and Governance Committee consider re-affirming direction to Staff provided at the January 20, 2020 meeting regarding Bylaw options to support the Council Code of Conduct process.

### PURPOSE

The purpose of this report is to provide information to the Finance and Governance Standing Committee and options for consideration arising from direction to Staff at the January 20, 2020 meeting of Council.

### BACKGROUND

At its January 20, 2020 meeting, the Finance and Governance Committee received a Staff report providing recommendations to update the Council Code of Conduct Policy. The Conduct Policy was originally adopted in November 2016 and periodic changes and improvements are expected as Council and the District gains experience in administering the Conduct Policy. In addition to recommending changes to the Conduct Policy to Council (which were subsequently adopted) the Committee directed:

**“That the Finance and Governance Committee direct Staff to look at drafting a bylaw that would support the processes that may come out of the Code of Conduct Policy”**

Unfortunately soon after the January 2020 meeting of the Committee the impact of the COVID-19 disrupted the District and this direction of the Committee was lost in the flurry of other priority work. This report provides the opportunity to bring this matter back before the Committee for consideration and direction with the additional detail of information and subsequent (potential) legislative change.

## **DISCUSSION**

The Chair and CAO recently identified that this direction from the Committee had not returned to the Committee for consideration. Given the length of time that has passed, the experience Council has gained recently regarding the conduct policy process and forthcoming legislative changes proposed by the Province under Bill 26, the Chair felt it appropriate to return to the committee for additional discussion of this matter, prior to additional work being undertaken.

For the information of the Committee, Bill 26 currently under consideration would establish a new requirement for all local governments to publicly consider the development of a code of conduct, and/or revisions to existing codes, each term of elected office. This change is aimed at creating a legislated regular process for elected officials to engage in conversations about shared expectations for conduct as they carry out their responsibilities and govern.

The legislation is the next step in ongoing work that the province, the Union of BC Municipalities (UBCM) and the Local Government Management Association (LGMA) have committed to doing together, and the approach was supported by a special resolution endorsed at the UBCM Convention in September 2021.

Under the proposed legislation within six months of a general local election all municipal councils and regional district boards will have to consider, at an open meeting, whether to establish a new code of conduct or revise an existing one. Principles to guide these discussions will be established by regulation. If a local government decides not to establish or revise a code of conduct, they will need to make their reasons for this decision publicly available upon request. They will also have to reconsider their decision before January 1 of the year of the next general local election.

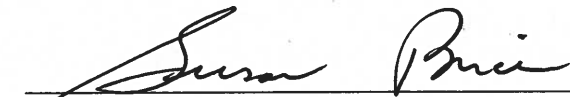
These changes will not take effect until a regulation to bring them into force is passed – likely in spring 2022.

Given this forthcoming change to legislation the Committee may wish to amend the direction to Staff from the January 2020 meeting and refer consideration of changes to the Code of Conduct process, or consideration of supporting bylaw, to a time following the regulation coming into force, and likely - post municipal elections in 2022.

Notwithstanding the potential legislative changes that are moving forward, there are a few options that the Committee and Council could consider and discuss. Prior to the last election Saanich Staff, working with outside Council, had begun development of an approach that would formalize the Code of Conduct Policy in a Bylaw for the District. Council at the time elected not to proceed with this work near the end of the previous term. The background work and a draft approach to a Bylaw is available and remains an option for the Committee to consider. Staff can bring that material forward for further discussion.

In addition, more recently at least one B.C. Municipal Government has elected to make changes to their Council Remuneration Bylaw, linking remuneration changes to outcomes from the conduct process. This option is a simpler and more direct approach to developing bylaw support for the conduct process. In this case, amendment to the Council Remuneration Bylaw to allow for reduction in compensation for substantiated breaches to the Council Conduct Policy creates an automatic “penalty” for substantiated breaches of the Code and provides a contribution to the municipality to offset the costs of the investigation process. Similarly Staff can bring forward potential policy and bylaw changes for discussion by the Committee.

In any event, recent experience has reinforced a continuing issue with the conduct policy approach where without clearer and imbedded enforcement mechanisms, a code of conduct is simply a set of guidelines and expectations for the policy and its impact need to be adjusted accordingly.



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Councillor Susan Brice, Chair  
Finance and Governance Committee

**Attachment:**

- Appendix 1: Draft Code of Conduct Bylaw. January....
- Appendix 2: Potential Bylaw amendments for Council Remuneration Bylaw to support Code of Conduct process (example implementation by District of North Cowichan).

Excerpt of Minutes – January 20, 2020

**COUNCIL CODE OF CONDUCT POLICY UPDATE**

The Director of Corporate Services presented the Council Code of Conduct Policy Update dated January 9, 2020. The Code of Conduct Policy was adopted by Council in November 2016; since that time gaps and deficiencies have been identified by Council and staff and this updated policy is an attempt to address those issues.

Committee members provided input and amendments on the proposed changes.

.....  
11:23 am – Moved by Mayor Haynes and seconded by Councillor Harper to extend the meeting past 11:30 am.

**CARRIED**  
.....

**Moved by Mayor Haynes and seconded by Councillor Mersereau: “That the Finance and Governance Standing Committee recommends that the Code of Conduct Policy with proposed changes be reviewed by the Chair and then forwarded to Council for approval.”**

**CARRIED**

**Moved by Mayor Haynes and seconded by Councillor Mersereau: “That the Finance and Governance Standing Committee direct staff to look at drafting a bylaw that would support the processes that may come out of the Code of Conduct Policy”**

**CARRIED**

# DRAFT

## THE CORPORATION OF THE DISTRICT OF SAANICH

### BYLAW NO. XXXX

#### TO REGULATE THE CONDUCT OF COUNCIL MEMBERS

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The Council of the Corporation of the District of Saanich enacts as follows:

#### PART 1 - INTRODUCTION

##### Title

1. This Bylaw may be cited as the “**COUNCIL CONDUCT BYLAW, 2018, NO. XXXX**”.

##### Definitions

2. In this Bylaw

“Advisory Body” means a committee, task force, commission, board or other body established or appointed by Council or by the Mayor;

“Advisory Body Member” means a person sitting on a committee, task force, commission, board or other body established or appointed by Council or by the Mayor, and includes a Council Member appointed to the body;

“Bullying and Harassment” includes:

(a) any unwelcome or objectionable conduct or comment that would be considered discriminatory under the *Human Rights Code*, if the conduct or comment was in respect of any of the following prohibited grounds:

- i. race,
- ii. conviction for an offence,
- iii. colour,
- iv. ancestry,
- v. physical disability,
- vi. place of origin,
- vii. mental disability,
- viii. political belief,
- ix. sex,
- x. religion,
- xi. age (19 to 75 years),
- xii. marital status,
- xiii. sexual orientation,
- xiv. family status;

(b) Sexual Harassment;

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- (c) any other unwelcome or objectionable conduct or comment by a Council Member toward a Council Member or Staff that causes that individual to be humiliated or intimidated, including verbal aggression or insults, making derogatory comments, calling someone derogatory names, hazing or initiation practices, vandalizing personal belongings or spreading malicious and untrue rumours;

“Chief Administrative Officer” includes a reference to the Deputy Chief Administrative Officer, if the complainant under this bylaw is the Chief Administrative Officer;

“Confidential Information” means information or a record that is marked confidential, that is Personal Information, that could reasonably harm the interests of individuals or organizations including the District if disclosed to persons who are not authorized to access the information, or information or a record to which section 117 of the *Community Charter* applies;

“Council Member” means the Mayor or a Councillor;

“Municipal Officer” means a member of staff designated as an officer under section 146 of the *Community Charter* or a bylaw under that section;

“Personal Information” has the same meaning as in the *Freedom of Information and Protection of Privacy Act*;

“Sexual Harassment” is any verbal, written or physical conduct, comment, gesture or contact of a sexual nature that may cause offence or humiliation or that might reasonably be perceived by a worker as placing a condition of a sexual nature on employment or on any opportunity for training or promotion, and examples of sexual harassment may include but are not limited to:

- (a) unwelcome remarks, questions, jokes, innuendo or taunting, about a person’s body or sex, including sexist comments or sexual invitations;
- (b) verbal abuse and threats of a sexual nature;
- (c) leering, staring or making sexual gestures;
- (d) display of pornographic or other sexual materials in the form of degrading pictures, graffiti, cartoons or sayings;
- (e) unwanted physical contact such as touching, patting, pinching, hugging;
- (f) intimidation, threat or actual physical assault of a sexual nature;
- (g) sexual advances with actual or implied work related consequences;

“Staff” means a Municipal Officer or employee, or contract employee of the District, and includes staff that support an Advisory Body;

“Volunteer” means a person serving the District who is not a Council Member or member of Staff and includes a person serving on any board, commission or committee established by the District;

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“Workplace” includes, but is not limited to, work sites owned, operated or controlled by the District, including the municipal hall, operations centres, fire hall, parks locations and buildings, construction or maintenance sites, business related social functions, work locations away from the foregoing venues, work related conferences and training sessions, work related travel, telephone conversations, voice mail or electronic messaging.

### **Interpretation**

3. This bylaw will be interpreted and applied in accordance with the principles set out in Schedule A.
4. In this bylaw, a reference to the Mayor, a chair, or Staff includes a reference to the person appointed as deputy or appointed to act in the place of that person from time to time.
5. Without limitation, this bylaw applies in respect of the Workplace and elsewhere, and to the use of social media by a Council Member.

### **General Conduct**

6. A Council Member must not:
  - (a) contravene this bylaw, as amended or replaced;
  - (b) contravene any other District bylaw, as amended or replaced;
  - (c) contravene a law of British Columbia or Canada, including the *British Columbia Human Rights Code* or *Freedom of Information and Protection of Privacy Act*;
  - (d) Bully or Harass another Council Member or a member of Staff;
  - (e) defame another Council Member or a member of Staff; or
  - (f) abuse their office.

### **Collection and Handling of Information**

7. A Council Member must:
  - (a) not collect or use personal information except in accordance with the *Freedom of Information and Protection of Privacy Act* and regulations under that Act and the Protection of Privacy Policy and Guidelines established by Council from time to time;
  - (b) not allow Confidential Information to be disclosed, and without limitation not disclose or allow to be disclosed:

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- i. decisions, resolutions or report contents forming part of the agenda for or from an in camera meeting of Council until Council decision has been made for the information to become public or otherwise released; or
  - ii. details on Council's in camera deliberations or specific detail on whether an individual Council Member voted for or against a matter;
- (c) not discuss or disclose Confidential Information with or to Staff, or with persons other than Council Members, except as authorized by Council resolution or bylaw;
  - (d) not discuss or disclose Personal Information with or to other Council Members or Staff, or to a person outside the District corporation, except in a manner that complies with the duty to protect Personal Information under the *Freedom of Information and Protection of Privacy Act*;
  - (e) take reasonable care to prevent access to Confidential Information or Personal Information by unauthorized persons;
  - (f) not use Confidential Information except for the purpose for which it is intended to be used; or
  - (g) not alter or destroy a District record.

#### **Interactions of Council officials with Staff and Advisory Body Members**

- 8. A Council Member must not communicate with a Staff member except by communicating with the Chief Administrative Officer.
- 9. A Council Member must not issue instructions or directions to a District contractor, tenderer, consultant or other service provider at any time, including before, during or after a District procurement process.
- 10. A Council Member must not make a public statement attacking or disparaging a Staff member or Advisory Body Member.
- 11. A Council Member must not publish or report information or make statements attacking or reflecting negatively on a Staff member or Advisory Body Member, except in writing solely to the Chief Administrative Officer for follow up.
- 12. A Council Member must not interfere with, hinder or obstruct a member of Staff in the exercise or performance of their powers, duties or functions.
- 13. If a Council Member has information about a Staff member or an Advisory Board Member that the Council Member wishes to bring to the attention of the District for the purposes of a review or investigation of the conduct or an omission of the individual, the Council Member may only do so by delivering the information in writing to the Chief Administrative Officer. On receipt of such information, the Chief Administrative Officer, must conduct a



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review or investigation and address the matter in accordance with the District's employment agreements, bylaws and policies and with the applicable employment law.

#### **Council Members' Use of Social Media**

14. A Council Member must not publish District information in social media unless the information has first been released by the District.
15. A Council Member must not publish information or an opinion on social media about District business, except to republish the information that has been released by the District or to include a statement to the effect that the "opinion expressed is my own and does not necessarily reflect the view or opinions of the District of Saanich or other members of Saanich Council".
16. Without limiting another provision of this bylaw, a Council member must not use or allow the use of their social media account for purposes that include:
  - (a) defamatory remarks, obscenities, profane language or sexual content;
  - (b) content that disparages Staff or another Council Member, including by questioning the professional competence of Staff;
  - (c) content that endorses, promotes, or perpetuates discrimination or mistreatment based on race, religion or belief, age, gender, marital status, national origin, physical or mental disability or sexual orientation;
  - (d) content that evidences bias or a reasonable apprehension of bias in relation to a matter that the subject of a statutory or other public hearing;
  - (e) promotion of illegal activity;
  - (f) information that may compromise the safety or security of the public or public systems.
17. Every Council Member must remove from their social media account the publication by another person of content that violates this bylaw.

#### **Interactions with the Public and the Media**

18. A Council Member must accurately communicate the decisions of the Council, even if they disagree with the majority decision of Council.
19. When discussing the fact that they did not support a decision, or voted against the decision, or that another Council Member did not support a decision or voted against a decision, a Council Member will refrain from making disparaging comments about other Council Members or about Council's processes and decisions.

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20. Nothing in sections 15, 18 or 19 prohibits a Council Member from expressing an opinion, if the Council Member identifies this as a personal opinion and not a decision or opinion of the Council or District.

#### **Individual Steps to Resolution**

21. If a Council Member or Staff member considers that they have been subjected to a contravention of this bylaw by a Council Member and if they are comfortable discussing the matter directly with the Council Member, they may inform the Council Member of the alleged contravention and request an apology and, if applicable, that the contravention cease immediately.
22. If despite a communication with a Council Member under section 21 the alleged contravention continues, the complainant must make a written record of the alleged contravention.
23. If the complainant is unable to discuss the matter directly with the Council Member, or if after discussion the contravention continues, the complainant may file the written record of the allegation with the Chief Administrative Officer, who must immediately appoint an advisor to aid the complainant.

#### **Informal Resolution**

24. Nothing in this bylaw precludes the complainant from requesting the Chief Administrative Officer to make reasonable efforts in good faith to address the complaint internally and informally without resort to the procedures set out in sections 26 through 48.
25. Options for the complainant to attempt to proceed to resolution at the stage described in section 23 include the following:
- (a) discuss concerns directly with or write to the Council Member;
  - (b) discuss concerns directly with the Council Member, with the assistance of the Chief Administrative Officer;
  - (c) request that the Chief Administrative Officer meet individually with the Council Member and discuss the complaint;
  - (d) file a grievance for bargaining unit employees, if applicable;
  - (e) file a human rights complaint, if the complaint is based on one of the prohibited grounds under the *Human Rights Code*;
  - (f) file a complaint with WorkSafe BC if the District has not taken reasonable steps to address a harassment complaint from a Staff member.
26. If the complainant is a Council Member, the advisor appointed under section 23 may be an individual drawn from a pool of independent human relations consultants approved from time to time by Council. If the complainant is a member of Staff, the advisor appointed under section 23 may be the complainant's immediate supervisor, a member of the Staff member's departmental management, a member of the District's management team or an individual drawn from the pool.

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27. Discussions regarding the complainant's concerns are confidential, advisory and informal in nature.
  28. If the advisor reasonably believes that a contravention of this bylaw has occurred, the advisor must determine whether the Council Member has been made aware of the alleged contravention by the Chief Administrative Officer. If the alleged contravention was communicated to the Council Member but the contravention has continued, the advisor may intervene at the complainant's request and discuss the matter with the Council Member.
  29. The advisor will also review this bylaw with the complainant and discuss various alternatives to assist the complainant in deciding which course of action is most appropriate.
  30. The only exception to an advisor maintaining confidentiality under sections 27 through 29 is if the advisor deems the complaint to indicate a possible physical threat to any person. In that case, the advisor must immediately inform the Chief Administrative Officer of the complaint and inform the complainant of this requirement to do so. The Chief Administrative Officer must then promptly initiate an investigation and inform the complainant of this.

#### **Mutual Resolution**

31. If the Informal Resolution process proves to be unsuccessful in resolving the complaint, the parties will confirm so in writing to the Chief Administrative Officer within ten working days of the final Informal Resolution meeting. The complainant may at that point elect to proceed to Formal Review if the parties cannot agree to resolve the complaint through Mutual Resolution.
32. At the request of the complainant and with the agreement of the Council Member, and with the assistance of the Chief Administrative Officer, a third party will be selected to act as a mediator to assist the individuals in resolving the complaint through mediation. The role of the mediator is to help the complainant and Council Member come to an agreement, and not to advocate a position or impose a decision.
33. The mediator will be selected by agreement of the complainant and Council Member, with the Chief Administrative Officer retaining the right to select a mediator if the complainant and Council Member are unable to agree.
34. Both the complainant and the Council Member may be accompanied by a representative of their choice, including a lawyer. If the complaint is resolved through Mutual Resolution, a written record of the complaint and the resolution will be given to the complainant, Council Member and the Chief Administrative Officer. If there are recommendations of the mediator for the District to consider, the mediator will forward these recommendations as well to the Chief Administrative Officer. The resolution and recommendations must be kept in confidence by the Chief Administrative Officer.
35. If Mutual Resolution is not successful in resolving the complaint, other options may be

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pursued and if so must be confirmed by the complainant to the Chief Administrative Officer in writing ten working days of receiving the mediator's report.

### Other Processes

36. Failing Mutual Resolution, a breach of this bylaw can be determined for the purposes of proceeding with a Council measure under section 42 by way of:

- (a) an admission by the Council Member;
- (b) an agreement with the Council Member;
- (c) a Court ruling;
- (d) a determination by a standing or select committee invested with investigation powers under section 134 of the *Community Charter*;
- (e) a referral to an independent third party such as a former Deputy Minister, the Inspector of Municipalities or a former judge; or
- (f) a Formal Review.

### Formal Review

37. If the complainant after the invocation of the procedures under sections 21 through 36 elects to proceed with a formal complaint, they must deliver a written complaint to the Chief Administrative Officer as soon as possible. This written complaint will contain the particulars of the complaint.

38. The complainant must deliver the written complaint under section 37 within

- (a) six months of the date of the alleged contravention of this bylaw;  
and
- (b) ten working days of either the conclusion of the Informal Resolution or Mutual Resolution process.

39. Upon receipt of the written complaint, the Chief Administrative Officer must

- (a) take whatever steps the Chief Administrative Officer considers reasonable with the complainant and the Council Member to resolve the matter informally under sections 24 through 40 within ten working days, if they have not already done so; or
- (b) confirm in writing to the complainant and Council Member that the Chief Administrative Officer has terminated attempts to resolve the matter informally under sections 24 through 36; and then
- (c) appoint an investigator within ten working days of the request being filed.

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40. The investigator will be drawn from an established pool of candidates approved from time to time by Council. The investigator, in accordance with procedural fairness, will:
- (a) confirm receipt of the written complaint of the complainant;
  - (b) notify the Council Member of the allegation, provide the Council Member with a copy of this bylaw and advise the complainant of this notification;
  - (c) receive information from any witnesses whom they believe may have information relevant to the complaint. This information may be received through written documentation, interviews, or informal hearings;
  - (d) keep both the complainant and the Council Member aware of any allegations made against them and ensure that they are given a reasonable opportunity to respond; and
  - (e) inform the complainant and the Council Member that they may be accompanied by a representative, including a lawyer, of their choice during the Formal Review process.
41. If the Council Member fails to respond, the Council at the request of the investigator may compel witnesses under section 134 of the *Community Charter*.
42. The investigator is required to ensure all details, dates, conversations and meetings are documented. Once the investigation has been completed, the Committee Chairperson, on behalf of the Investigative Committee, will prepare a written report and provide the report to the Chief Administrative Officer. The report must, at a minimum, contain a description of the allegations, a summary of the evidence of the parties and the witnesses, and a determination of whether a contravention occurred. The report may also provide recommendations with respect to the potential outcome.
43. After reviewing the report of the investigator, the Council must decide on the appropriate measure, if any, and take such action as the Council considers appropriate in the circumstances. In determining the appropriate measure, Council must consider the following factors:
- a) the degree and nature of the conduct;
  - b) whether the contravention was a single or repeated act;
  - c) whether the Council Member was told that the conduct was unwelcome or offensive, and nonetheless continued the conduct;
  - c) the nature of the work relationship of the complainant and the respondent, and whether the Council Member was in a position of authority over the complainant, such that the degree and nature of the conduct was thereby exacerbated by an abuse of power;
  - d) the impact of the contravention on the complainant;
  - e) the respondent's acknowledgment of wrongdoing; and
  - f) the respondent's history of other contraventions.
44. If the investigator concludes that a contravention has occurred, the District will consider reasonable action to protect the complainant from any subsequent action or reprisal. The District will also consider reasonable action to protect the rights of the subject Council

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Member and to see that no reprisal takes place beyond the measure determined by Council.

45. If the investigator finds that the original complaint was initiated in bad faith, with willful misconduct or intent to harm, the Council may consider appropriate measures in respect of the complainant.
46. The Council decision under section 43 will be in writing and provided to the complainant and Council Member within ten working days of the receipt of the report from the Chairperson of the Investigative Committee.
47. A copy of the investigator's Report and the Council decision will be retained in a confidential file maintained by the Chief Administrative Officer.
48. The Chief Administrative Officer may proceed with a Formal Review even if the complainant withdraws the complaint.
49. The Chief Administrative Officer must consider implementing administrative changes to District policies or procedures recommended by an investigator in the investigator's report.

#### **Fairness Procedures Applicable to Council Determination of Measures**

50. Section 51 applies only if the breach is alleged to have occurred and is not resolved under sections 21 through 35 of this Policy and if Council is considering measures under section 43.
51. The Mayor, or Deputy if the Mayor is alleged to have contravened this bylaw, will notify the affected Council Member in writing that Council will be considering a standard form of resolution at a closed meeting. The notice and form of resolution where a breach is believed to have been proved are set out in Schedule B. The notice must be delivered at least seven business days prior to the closed meeting. The Corporate Officer will ensure that the matter is placed on the agenda of the closed meeting.

#### **Offence**

52. Every person who
  - (a) violates a provision of this bylaw;
  - (b) *permits*, suffers or allows any act to be done in violation of any provision of this bylaw; or
  - (c) neglects to do anything required to be done under any provision of this bylaw,commits an offence and on summary conviction by a court of competent jurisdiction, the

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person is subject to a fine of not more than \$10,000.00, or a term of imprisonment not exceeding three months, or both, in addition to the costs of prosecution. Each day during which a violation, contravention or breach of this bylaw continues is deemed to be a separate offence.

### **Legal Fees**

53. The Council may reimburse a Staff member for legal fees reasonably incurred if the Staff member is a complainant under this bylaw and files a written request for reimbursement with the Chief Administrative Officer within three months of any final disposition of a complaint under this bylaw.

54. The Council may reimburse a Council Member for legal fees reasonably incurred if the member is subjected to the procedures set out in this bylaw:

(g) and Council ultimately determines that the member did not breach the bylaw; or

(h) in any event if Council so resolves after considering all the circumstances,

if the Council Member files a written request for reimbursement with the Chief Administrative Officer within three months of any final disposition of a complaint under this bylaw.

### **General**

55. The Corporate Officer will post this bylaw in visible and accessible locations within the Municipal Hall and on the District's website.

56. If any portion of this policy is inconsistent with a binding District collective agreement or federal or provincial legislation, that portion and only that portion of this policy will have no application to the extent of that inconsistency and all other portions of the policy will continue in full force and effect.

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## SCHEDULE A

### Key Principles

**Integrity:** Council Members are keepers of the public trust and must uphold the highest standards of ethical behaviour. Council Members are expected to:

- (i) make decisions that benefit the community;
- (j) act lawfully and within the authorities of the *Community Charter, Local Government Act* and other applicable enactments; and
- (k) be free from undue influence and not act, or appear to act, to gain financial or other benefits for themselves, family, friends or business interests.

**Accountability:** Council Members are obligated to answer for the responsibility that has been entrusted to them. They are responsible for decisions that they make. This responsibility includes acts of commission and acts of omission. In turn, decision-making processes must be transparent and subject to public scrutiny; proper records must be kept.

**Leadership:** Council Members must demonstrate and promote the key principles of this bylaw through their decisions, actions and behaviour. Their behaviour must build and inspire the public's trust and confidence in local government. Council Members will provide leadership to District Staff through the Chief Administrative Officer.

**Respect:** Council Members must conduct public business efficiently and with decorum. They must treat each other and others with respect always. This means not using derogatory language toward others, respecting the rights of other people, treating people with courtesy and recognition of the different roles others play in local government decision making in the Workplace and elsewhere.

**Openness:** Council Members have a duty to be as open as possible about their decisions and actions. This means communicating appropriate information openly to the public about decision-making processes and issues being considered; encouraging appropriate public participation; communicating clearly; and providing appropriate means for recourse and feedback.



"(8) Where a member of Council has been found by a Third Party Investigator appointed under the Council Standards of Conduct Policy, as amended or replaced from time to time, to have breached the Policy, the remuneration to which the member of Council would otherwise be entitled to under this bylaw shall be adjusted in accordance with the following:

(a) where the member of Council has been found to have breached the Policy for a first time, the remuneration to which the member of Council would otherwise be entitled to under this bylaw shall be reduced by 10%, for a period of 72 months from the date of the breach;

(b) where the member of Council has been found to have breached the Policy for a second time, the remuneration to which the member of Council would otherwise be entitled to under this bylaw shall be reduced by 15%, for a period of 12 months from the date of the second breach;

(c) where the member of Council has been found to have breached the Policy for a third or subsequent time, the remuneration to which the member of Council would otherwise be entitled to under this bylaw shall be reduced by 25%, for a period of 12 months from the date of third or subsequent breach;

(d) for certainty, where a member of Council has been found to have breached the Policy more than once in a 12-month period, the reductions in the remuneration to which the member of Council would otherwise be entitled to under this bylaw shall be cumulative for any period of overlap in the duration of each reduction (e.g., if a member of Council is found to have first breached the Policy on January 1 of a calendar year, and is subsequently found to have breached the Policy again on July 7 of that year, the remuneration to which the member of Council would otherwise be entitled to under this bylaw shall be reduced by 10% from January 1 to June 30 of that year, by 25% from July 7 to December 31 of that year, by 15% from January 7 to June 30 of the following year, and thereafter be fully reinstated."



## The Corporation of the District of Saanich

# Report

**To:** Finance and Governance Committee  
**From:** Valla Tinney, Director of Finance  
**Date:** January 7, 2022  
**Subject:** Finance 2022 Work Plan

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### RECOMMENDATION

1. That the Committee receive the report for information.
2. That the Committee endorse the template for the Community Grant Program contribution agreements.

### PURPOSE

To provide information on Finance Department initiatives and obtain endorsement for the contribution agreements so that staff can work with the Schedule A recipients for the 2022 grants.

### BACKGROUND

Finance Department staff are working on several initiatives for the Committee and Council some of which have been impacted by the COVID-19 pandemic both directly and with respect to allocation of department resources. Initiatives currently underway are:

1. Open House for Public Engagement on the Financial Plan
2. Community Grants – Agreements for Schedule A recipients
3. Budget Software
4. Long Term Financial Plan
5. Financial impact of exempting current affordable housing properties and potential future affordable housing projects.
6. Procurement Overhaul Project

## **DISCUSSION**

### **Open House for Public Engagement on the Financial Plan**

Given the continuing restrictions through 2021 and in particular the recent return to tighter restrictions on public gatherings due to the Omicron variant, it is recommended that any work on developing an open house for public engagement on the financial plan continue to be deferred until such time as business resumption for in person public engagement has been developed by Saanich. The District will be implementing public engagement software in 2022 and this will be very useful in establishing a new consultation format for the budget that will balance the ways the public identified that they want to participate in the Your Say Your Way campaign. In addition, the implementation of budget software in 2022 is expected to provide better tools for development of materials to communicate budget information. Staff anticipated doing a public survey with a focus on Saanich finances however there was insufficient budget available to utilize the needed expertise of BC Stats.

Saanich has utilized the online budget engagement tool for the past two years and reported out results to Council. The tool will be utilized for one more year then brought back to Council to determine if value is being received for the money spent.

### **Community Grants – Agreements for Schedule A recipients**

Finance and Legal Services staff were able to complete the drafting of contribution agreements for the grant recipients identified in Schedule A of the new Community Grants Policy. The template agreement is provided for Committee endorsement prior to engaging with the recipient organizations. It is anticipated that the agreements will be finalized in time for the 2022 payments.

### **Budget Software**

Budget software implementation was deferred to 2021. The selection process through a Negotiated Request for Proposals commenced in earnest in September 2021 and is anticipated to be complete by the end of February 2022. Implementation is scheduled to commence in March and is planned to be implemented in phases through 2022 and 2023.

### **Long Term Financial Plan**

The first phase of the Long Term Financial Plan project (benchmarking and policy framework) got underway mid-year in 2021. Good progress has been made however there is a delay from the original completion timeline of November 2021. A progress report is included with the January 17<sup>th</sup> agenda. The second phase will look at infrastructure replacement funding. The arrival of the Asset Management Program Manager was key to moving this body of work forward. Timelines are not yet established but it is anticipated to be complete in 2022.

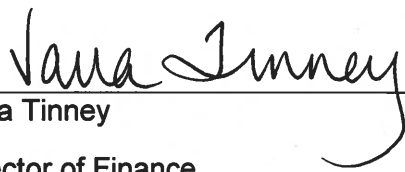
### **Permissive Tax Exemptions**

Programs for the feasibility of providing permissive exemptions for affordable housing are currently part of the work plan developed through the recently approved Housing Strategy. As confirmed at Council, any recommendations will be brought to the Finance and Governance Committee for review and comment prior to be considered at Council. Preliminary work is currently underway.

**Procurement Overhaul Project**

POP continues to make good progress. New procurement templates are completed and in use. The policy framework including updates to Council policy and bylaws are in development. Three training sessions have been delivered with all session very well attended. Although the section is still recruiting for a couple of positions, the significant staffing challenges are mostly resolved and with continued use of external resources there are noticeable improvements to the work flow through the section. The addition of a manager to support day to day operations has been a critical success factor in creating capacity to implement this project.


Prepared by

  
\_\_\_\_\_  
Valla Tinney  
Director of Finance

Attachment: Contribution Agreement Template for Schedule A grant recipients

**ADMINISTRATOR'S COMMENTS:**

I endorse the recommendation of the Director of Finance.

  
\_\_\_\_\_

Brent Reems, Acting Administrator

## CONTRIBUTION AGREEMENT

This AGREEMENT dated for reference this \_\_\_\_ day of \_\_\_\_\_, 202\_.

BETWEEN:

**NAME**  
(the "Society")

AND:

**THE CORPORATION OF THE DISTRICT OF SAANICH**  
770 Vernon Avenue  
Victoria, BC V8X 2W7

(the "District")

WHEREAS:

- A. The District has established a council policy regarding the Saanich Community Grants Program, which sets out the purpose statement and general guidelines for the District 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 and align with Council's Strategic Plan (the "Council Policy");
- B. The Society is eligible to receive a community grant under the Council Policy by virtue of Schedule "A" of the Council Policy and the District agrees that the Society is an appropriate beneficiary.

NOW THEREFORE the Parties agree as follows:

### **1. PAYMENT**

#### **1.1. Contribution amount**

The District shall pay to the Society an annual amount of AMOUNT Dollars for each year of the Term, as defined herein (the "Contribution Amount").

#### **1.2. Payment schedule**

The District shall pay the Contribution Amount as an annual lump sum by the 31<sup>st</sup> day of January each year of the Term, as defined herein.

#### **1.3. Funds withheld in event of breach**

In the event that the Society is in breach of any terms of this Agreement and fails to cure such breach within 10 days of receipt of written notice from the District advising of the breach, the

District may withhold all or part of the Contribution Amount that would otherwise be made by the District under section 1.1 hereof. For greater certainty, this clause does not limit any other remedies for breach of the Agreement as set out in this Agreement or at law.

## **2. TERM OF AGREEMENT**

### **2.1. Term**

The term of this Agreement shall be for a period of five (5) years, commencing on January 1, 2022 and terminating on December 31, 2026 unless otherwise terminated as herein provided (the "Term").

### **2.2. Renewal**

Not later than 6 months prior to the expiration of the Term, the Society may request in writing to be granted a renewal of the Agreement for a renewal term of five (5) years, commencing on the expiration of the original term. The District may, at its sole discretion, approve or deny the request for a renewal term.

## **3. CONTRIBUTION CONDITIONS**

### **3.1. Non-profit society**

The Society must maintain its status as a not-for-profit society during the entirety of the Term.

### **3.2. Eligible Use**

The Society must not use the Contribution Amount for any purpose except for those purposes set out in Schedule "A" of this Agreement ("Eligible Use").

### **3.3. Compliance with Lease**

The Society must not be in default or breach of any covenants or obligations under a lease arrangement where the District is the landlord and the Society is the tenant.

## **4. REPORTING REQUIREMENTS**

### **4.1. Operational reporting**

The Society must provide an operation report no less than annually, or upon request by the District, linking the Contribution Amount to the Eligible Use.

### **4.2. Financial statement**

At any time, the District may give to the Society written notice that it wishes to examine all books of accounts of the Society, and the Society shall, within ten (10) days of receipt of such notice,

provide to the District access to all records, documents, books, accounts and vouchers of the Society and shall promptly provide to the District all information and explanations as may be, in the District's opinion, necessary to ascertain use of the funds received from the District and the financial position of the Society.

## 5. TERMINATION

### 5.1. Termination for default

The District may terminate this Agreement upon giving the Society sixty (60) days' notice of its intention to terminate if the Society defaults or fails to perform any term or condition of this Agreement that is required to be performed by the Society.

### 5.2. Termination without cause

The District or the Society may elect to terminate this Agreement by giving notice in writing delivered to the other party not later than the 30<sup>th</sup> day of June in any year of the Term or renewals hereof, effective the 1<sup>st</sup> day of January of any subsequent year.

### 5.3. Termination of lease

If the Society and the District have entered into a lease arrangement, where the District acts as landlord and the Society leases as tenant, then the District may elect to terminate this Agreement at the expiration date or earlier termination of the lease, provided that the Society receives at least sixty (60) days' notice.

## 6. NOTICE

Any notice to be given by one party to another will be in writing and may be delivered by hand or mailed by registered mail to the address set forth below, or such other address of which notice is given by a party pursuant to the provisions of this section. Such notice will be deemed to have been given and received when delivered if delivered by hand, or if by mail, then the notice shall be deemed to have been given and received on the expiration of four business days after it was posted.

If to the District:

The Corporation of the District of Saanich  
c/o the Municipal Clerk  
770 Vernon Ave.  
Victoria, BC V8S 2W7

If to the Society:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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## **7. ASSIGNMENT**

The Society may not assign, transfer or pledge all or any part of this Agreement without the District's consent.

## **8. NO DEEMED WAIVER**

The failure of either of the parties to insist on performance of any covenant or condition contained in this Agreement, or to exercise any right or option hereunder, shall not be construed or operate as a waiver or relinquishment for the future of any such covenant, condition, right or option and no waiver shall be inferred from or implied by anything done or omitted by any of the parties hereto, save only as an express waiver in writing.

## **9. GENERAL PROVISIONS**

### **9.1. Interpretation**

Where the context requires, the singular includes the plural and vice versa, and the masculine, feminine and neuter include each other.

### **9.2. Amendments**

Amendments to this Agreement may be made from time to time in writing and with the agreement of all parties.

### **9.3. Relationship of Parties**

The parties agree that nothing in this Agreement shall be interpreted as creating nor shall create an agency relationship, joint venture, partnership or employment relationship between the District and the Society, its employees, agents or contractors. For greater certainty, the District is in no way liable for any activity carried out by the Society.

### **9.4. Severance**

If any provision of this Agreement is held to be invalid or unenforceable, the remainder of this Agreement or its application will not be affected.

### **9.5. Entire agreement**

This Agreement contains all the representations, warranties, covenants, agreements, conditions and understandings between the Society and the District concerning the Contribution Amount or the subject matter of this Agreement.



9.6. Binding Agreement

This Agreement binds and benefits the parties and their respective heirs, administrators, successors and permitted assigns.

9.7. Authorized Signatory

Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement.

9.8. Laws of British Columbia

This Agreement will be interpreted under and is governed by the Laws of the Province of British Columbia.

9.9. Counterparts

This Agreement may be signed in separate counterparts, including by facsimile or portable document format (PDF) and the signing or execution by way of facsimile, PDF, or counterpart will have the same effect as the signing or execution of the original.

**IN WITNESS WHEREOF** the parties hereto have signed this Agreement as of the day, month and year first above written:

Signed on behalf of **THE CORPORATION OF THE DISTRICT OF SAANICH** by its authorized signatory(ies):

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Print Name:

Position:

Signed on behalf of **NAME** by its authorized signatory(ies):

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Print Name:

Position:

**Schedule "A": Eligible Uses**

The purpose of the Society is:

**INSERT PURPOSE FROM CONSTITUTION AND BYLAWS**