

**MINUTES  
FINANCE AND GOVERNANCE STANDING COMMITTEE**

Held at Saanich Municipal Hall, Committee Room #2

770 Vernon Avenue

October 28, 2024, at 10:00 a.m.

Present: Councillor Susan Brice (Chair); Councillor Teale Phelps Bondaroff; Councillor Karen Harper; Mayor Dean Murdock (10:02 a.m.)

Staff: Brent Reems, Chief Administrative Officer (10:02 a.m.); Paul Arslan, Director of Finance; Suzanne Samborski, Director of Parks, Recreation and Community Services; Jennifer Lockhart, Senior Manager Financial Services, Eva Riccius, Senior Manager Parks; and Colton Whittaker, Committee Clerk

Regrets: Councillor Nathalie Chambers

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**MINUTES FOR ADOPTION**

**MOVED by Councillor Phelps Bondaroff and Seconded by Councillor Harper: "That the minutes of the Finance and Governance Standing Committee meeting of August 12, 2024, be adopted as circulated."**

**CARRIED**

**FUNDING OPTIONS FOR THE BIODIVERSITY CONSERVATION AND URBAN FOREST STRATEGIES**

The Senior Manager of Parks highlighted that they are currently developing a joint work plan for both strategies for the next two years. Each strategy has a long-term vision with numerous actions to implement. For 2025, there is a combined ongoing funding request of \$457,000 and a one-time funding request of \$227,000. In 2026, the anticipated ongoing funding request would be \$512,000, with an additional one-time request of \$152,000. These amounts would result in a 0.39% increase in property taxes for 2025. Staff also examined a scenario where funding is distributed over four years rather than two. Additionally, they explored the potential for a reserve fund to support the Biodiversity Conservation Strategy but concluded it would be more effective for Council to fund this initiative directly. The Parks Department continues to consider various funding sources, including grants, in-kind support, and donations.

During the discussion, the committee considered the advantages of spreading the funding over four years instead of two. A grant from the Fraser Basin Council is enabling Parks to explore a private land stewardship program working with the Habitat Acquisition Trust to review pilot programs, including policy and incentive opportunities.

Further collaboration with Community Planning is underway to examine incentive programs, density bonuses, and protections for the environment and trees. The Urban Forest Strategy does not receive funding from a reserve fund. As the committee considered the two- versus four-year funding question, they emphasized the need for sufficient time to establish and sustain these initiatives effectively. A strong partnership with Engineering was emphasized by the Senior Manager of Parks.

**MOVED by Councillor Harper and Seconded by Councillor Phelps Bondaroff: “That the Finance and Governance Standing Committee concur with the staff recommendation of a scaled funding approach, to align with financial priorities and staff workplans, and recommend to Council that a reserve fund not be established at this time.”**

The following discussion ensued:

The committee discussed whether to separate the motion into two parts but ultimately decided to keep it intact. Members discussed how establishing a reserve fund might imply that this initiative is being treated differently from other strategic initiatives.

**The Motion was then Put and CARRIED**

\*\*\*The Director of Parks, Recreation and Community Services and Senior Manager of Parks left the meeting at 10:35 a.m.

## **2ND TRIMESTER RESULTS REPORT**

The Director of Finance presented the second trimester results, noting overall positive outcomes with some challenges compared to the previous year. One challenge involves refunds on property taxation; several properties that underwent the BC Assessment Property Owner (PO) appeal process have won their appeals, affecting property tax revenue. Recreation revenue, however, has shown strong growth with increasing post-COVID participation. Water revenue remains unpredictable, prompting conservative budgeting. Last year's favorable interest rates benefited finances, but the Bank of Canada is expected to continue to reduce rates. The latest 0.5% decrease is not reflected in the report. High-interest savings accounts will be affected by changing interest rates, but bonds, which the District typically holds long-term, continue to perform well.

On the expenditure side, vacancy issues are easing as more departments are now fully staffed. Recreation expenses are slightly elevated compared to previous years, corresponding to the increase in activity and revenue. Regarding capital projects, those over \$1 million are detailed in the report.

Investment returns are performing well at around 5%. Procurement processes are largely competitive, though single-source bidders are common in sewer and water projects. A Footnote indicates that a grant from the Ministry of Emergency Management and Climate Readiness lowered costs for the emergency program. For capital programs, staff will follow up on potential delays for Wilkinson Road. Investment returns are expected to exceed forecasts. The committee would appreciate discussing how surpluses are handled at a future meeting, staff have a policy that they can bring to the committee for discussion.

Water and sewer revenue often varies from initial forecasts, sometimes leading to annual deficits, though revenue typically catches up. Aging stormwater infrastructure, including concrete pipes, is replaced as needed. The Water Master Plan strategy aims to replace significant infrastructure and includes short-term borrowing approved by Council to meet 10-year plan objectives. On the investment side, all bonds are secured through the Municipal Finance Authority (MFA), with consultants managing bond purchases. Guaranteed Investment Certificates (GICs) are generally held for one to two years, with careful timing to maintain accessibility to funds.

**MOVED by Councillor Phelps Bondaroff and Seconded by Councillor Harper: “That the Finance and Governance Standing Committee receive the report from the Director of Finance for information and that the report be referred to Council for its consideration.”**

**CARRIED**

### **COMMUNITY ASSOCIATION OPERATING GRANTS FUNDING REQUEST INCREASE**

Grants have not increased since 2012, and a proposed 33% increase was discussed. However, only one Association has requested this amount, raising questions about the need for such a substantial adjustment. While the 33% figure aims to account for inflation since 2012, the committee considered this excessive, especially given that some Associations have large memberships while others do not. Instead, a 10% increase was deemed reasonable, as it factors in the insurance component already covered.

The discussion raised broader questions about the role and criteria for funding Community Associations. Committee members agreed on the importance of ensuring that Associations are representative of the communities they serve. This topic could be explored further in a future meeting.

**MOVED by Councillor Harper and Seconded by Councillor Phelps Bondaroff: “That the Finance and Governance Standing Committee recommend that Council increase the allocation for the Community Association Operating Grant by 10% and that the grant be reviewed every two years for cost of living increases.”**

The following discussion ensued:

The committee agreed that the proposed grant increase was fair and emphasized the importance of implementing a review every two years to account for cost of living adjustments.

**The Motion was then Put and CARRIED**

### **PUBLIC INPUT OPPORTUNITIES**

The committee expressed interest in hearing from staff about opportunities for public input at a Special Meeting in early 2025. Members agreed that Town Halls are valuable and will continue with an emphasis on structural improvements. A more organized approach to the informal portion was suggested to ensure all attendees have the chance to speak with individual Councillors. The committee recommended additional tracking measures, such as

creating a dedicated webpage on Saanich’s website to summarize the topics discussed. Factoring in staff time for these responsibilities, in addition to regular duties, is important to consider.

**SCHEDULE OF 2025 MEETINGS**

It was noted that new committee chairs and members will be appointed in late November 2024.

**MOVED by Councillor Phelps Bondaroff and Seconded by Councillor Harper: “That the Finance and Governance Standing Committee approve the schedule of 2025 meetings.”**

**ADJOURNMENT**

On a motion from Councillor Harper the meeting adjourned at 11:38 a.m.

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Councillor Susan Brice, Chair

I hereby certify these minutes are accurate.

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Colton Whittaker, Committee Clerk