

AGENDA

FINANCE STANDING COMMITTEE

Monday, February 5, 2018 10:00 to 11:30 am
COMMITTEE ROOM #2

1. MINUTES FOR ADOPTION – November 6, 2017 (attached)

2. REGULAR MEETING SCHEDULE

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

Schedule of Regular Committee Meetings/Advance Public Notice of Meetings

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

3. PROPOSED INVESTMENT POLICY (attached)

Report from the Director of Finance, dated January 25, 2018

4. CLAIMS REPORT (attached)

Report from the Director of Building, Bylaw, Licensing and Legal Services, dated January 29, 2018

5. PUBLIC CONSULTATION ON THE FINANCIAL PLAN (attached)

Briefing Note from the Director of Finance dated January 26, 2018

6. PARTICIPATORY BUDGETING (attached) – verbal

7. OTHER

... ADJOURNMENT ...



The Corporation of the District of Saanich

Report

To: Finance Committee
From: Valla Tinney, Director of Finance
Date: January 25, 2018
Subject: Investment Policy

Recommendation:

That the Committee recommend the investment policy for adoption by Council.

Purpose:

To present a revised investment policy to the Committee.

Discussion:

As requested at the November 6th committee meeting, staff have contacted three other municipalities identified by Peter Urbanc of MFA (Tofino, New Westminster, and Vancouver) to review their investment policies for socially responsible investing (SRI) provisions. No specific reference to investment in SRI funds were found.

In light of discussion at the meeting, the Saanich policy has been updated to identify environmental, social, and governance (ESG) factors and United Nations principals for responsible investment (UNPRI) under which MFA Pooled funds are managed in section 2. Suitable and Authorized Investments).

The investment policy does not include language regarding selection of socially responsible investment (SRI) funds. The policy may be re-evaluated at such time when specific identifiable SRI funds/investments become available, directly or through Municipal Finance Authority pooled funds.

Report prepared by:


Karen Coates, Manager of Accounting

Report reviewed by:


Valla Tinney, Director of Finance

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS:

I endorse the recommendation of the Director of Finance


Paul Thorkelsson, CAO

SUBJECT: INVESTMENT POLICY		
DATE OF ISSUE: JANUARY xx, 2018		ORIGIN: FINANCE

PURPOSE

The purpose of the Investment Policy is to provide a framework for investment portfolio management. It is the practice of Saanich to invest funds in a conservative manner to provide primarily for capital preservation, in addition to investment diversification and rate of return. The portfolio must meet the short and long term cash flow needs of the municipality while complying with the statutory requirements for investments under section 183 of the Community Charter.

SCOPE

The investment policy applies to all cash operating funds, capital funds, and reserve funds.

OBJECTIVES**Safety of Principal**

Investments shall be made to ensure preservation of principal within the portfolio. Preservation of principal is accomplished through placement of investments in the safest type of securities, with creditworthy institutions, and through portfolio diversification. Diversification is required to minimize potential losses on individual securities or institutions, and balance returns from a blend of financial products.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all annual operating and other reasonably anticipated cash flow requirements. This will be accomplished by selecting maturity dates that correspond to short and long term requirements, and securities with active or secondary resale markets where appropriate.

Return on Investment

The rate of return of the investment portfolio shall be maximized without compromising safety of principal or diversification.

STANDARD OF CARE**Prudence**

Portfolio management shall be performed with reasonable judgement, discretion, and care, under market conditions then prevailing. Investments will never be made for/under speculation. Foremost will be consideration for the safety of principal.

Ethics and Conflict of Interest

Staff responsible for investing shall refrain from personal investment activity that could conflict with proper execution of the investment program, or which could impair the ability to make impartial investment decisions.

Delegation of Authority

Authority to manage the District's investment program is delegated to the Director of Finance under the Officer and Administrative Structure Bylaw, 2017, No. 9424 and in accordance with the provisions of Section 149 of the *Community Charter* as follows:

One of the municipal officer positions must be assigned the responsibility of financial administration, which includes the following powers, duties and functions: (b) ensuring the keeping of all funds and securities of the municipality; (c) investing municipal funds, until required, in authorized investments.

Authorized investments are referred to in Section 183 of the *Community Charter*.

The Manager of Accounting, receiving guidance and transaction authorization from the Director of Finance, is responsible for the development and execution of the District's investment policy.

SAFEKEEPING AND CUSTODY

All security transactions entered into by the District shall be conducted on a delivery versus payment basis, where physical custody is applicable. The Director of Finance must be satisfied that physical possession of the security is in possession or held by a custodial service.

SUITABLE AND AUTHORIZED INVESTMENTS

Investments must comply with Section 183 of the *Community Charter*.

Money held by a municipality that is not immediately required may only be invested or reinvested in one or more of the following:

- *securities of the Municipal Finance Authority;*
- *pooled investment funds under section 16 of the Municipal Finance Authority Act;*
- *securities of Canada or of a province;*
- *securities guaranteed for principal and interest by Canada or by a province;*
- *securities of a municipality, regional district or greater board;*
- *investments guaranteed by a chartered bank;*
- *deposits in a savings institution, or non-equity or membership shares of a credit union;*
- *other investments specifically authorized under this or another Act.*

Investments noted above are subject to the following conditions,

1. Chartered banks, credit unions, savings institutions, or any province must meet one of the following minimum credit quality rating scales when investments are placed with them,

Rating Agency	Short Term Obligations	Long Term Obligations
DBRS	R-1 (low)	A (low)
Standard & Poors	A-2	A
Moody's	P-1	A3

2. Pooled investment funds should have environmental, social, and governance (ESG) factors and/or United Nations principals for responsible investment (UNPRI) integrated into their portfolio analysis and holdings. Pooled funds with a focus on an ESG or socially responsible investing (SRI) portfolio will form part of the District's investment strategy.

3. All investments must be held in the name of The Corporation of the District of Saanich, or the District of Saanich, by all institutions.
4. Investment in securities of a municipality or regional district or greater board should be made on an exception basis only, with due care to the amount and terms due to the size and financial depth of the issuer.

INVESTMENT PARAMETERS**Diversification**

The District will diversify its investment portfolio by institution, maturity, type and sector of investment in order to reduce overall risk of the portfolio given the prevailing market conditions at the time. With the exception of securities issued by the Federal or Provincial Government, or Municipal Finance Authority, not more than 30% of the investment portfolio will be invested with a single institution or entity.

Reserve funds specifically will be diversified by security type, institution, and take into consideration terms, maturity, and impact on return on investment.

Maturity

To the extent possible, the District will attempt to match its investments maturities with cash flow requirements. The level of cash flow needs and surpluses will be identified by reviewing historical cash levels, the annual financial plan, five year capital plan, and reserves funding anticipated from one to five years.

Because of the inherent difficulties in accurately forecasting cash flow greater than one year, a portion of the portfolio will be continuously invested in readily available funds to meet ongoing obligations of one year. The portion of the portfolio not attributable to one year's ongoing obligations, or to a specific cash flow requirement or reserve fund will typically be invested in terms of one to five years. Maturities of greater than five years should be on an exception basis only while taking due care with the terms, amount, and resale ability of the investment.

COMPETITIVE BIDS

The District will solicit at minimum two competitive bids and verbal quotations for the purchase and sale of securities where it is prudent to do so. Transactions should be made directly with financial institutions where possible.

An authorized list of investment dealers will be maintained and reviewed annually by the District. Accounts with new dealers must be approved by the Director of Finance, and will not be opened until an investment is made with the dealer. Bidders for investment transactions will at minimum be in good standing of the Investment Industry Regulatory Organization of Canada (IIROC), Mutual Fund Dealers Association (MFDA), or the BC Securities Commission. Professional judgement, due diligence, and care will be exercised when selecting investment dealers.



Report

To: Finance Committee
From: Brent Reems, Director of Building, Bylaw, Licensing & Legal Services
Date: 1/29/2018
Subject: Municipal Claims Information

RECOMMENDATION

That the Finance Committee receive this report for information.

PURPOSE

The purpose of this report is to provide municipal claims information to the Finance Committee.

DISCUSSION

The Finance Committee Terms of Reference provide that the Committee will receive a summary report of municipal claims bi-annually. Attached as Appendix A is the municipal claims summary for 2017.

CONCLUSION

In accordance with the Committee's Terms of Reference, the 2017 municipal claims summary is provided for the Finance Committee's information.

Prepared by 

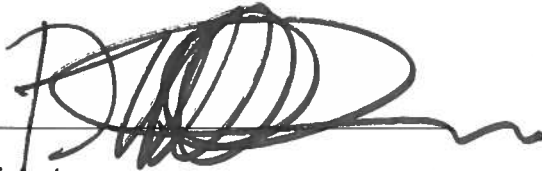
Brent Reems
Director, Building, Bylaw, Licensing &
Legal Services

Attachments

cc: Valla Tinney, Director of Finance
Michael Hargraves, Municipal Solicitor
Scott Broughton, Risk Manager

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation from the Director of Building, Bylaw, Licensing & Legal Services.



Administrator

GENERAL CLAIMS BY DIVISION

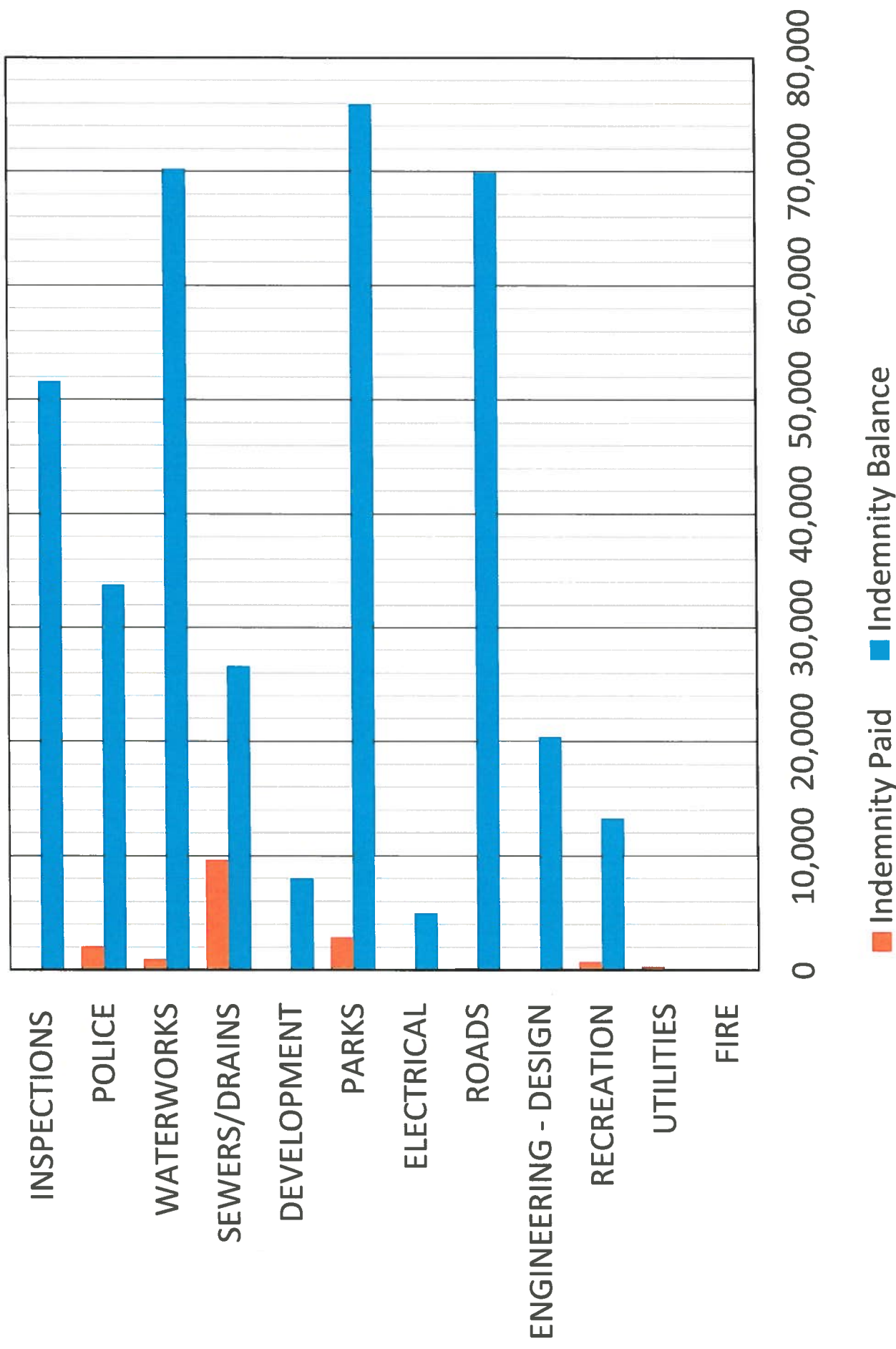
YEAR END SUMMARY AS AT DECEMBER 31, 2017

DIVISION/DEPARTMENT	INDEMNITY BALANCE	INDEMNITY PAID	# OF CLAIMS	ACTIVE CLAIMS	INDEMNITY PAID (See Note)	LEGAL/EXP. PAID (See Note)
FIRE	0.00	0.00	0	0	0.00	2,898.03
UTILITIES	0.00	277.46	1	0	277.46	0.00
RECREATION	13,300.00	694.40	4	1	694.40	1,357.23
ENGINEERING - DESIGN	20,414.11	0.00	6	3	0.00	6,167.85
ROADS	69,943.56	150.00	19	1	150.00	8,866.26
ELECTRICAL	5,000.00	0.00	1	0	0.00	0.00
PARKS	75,907.67	2,851.74	24	8	5,351.74	23,097.80
DEVELOPMENT	8,050.00	0.00	2	0	4,686.48	0.00
SEWERS/DRAINS	26,665.37	9,679.42	39	7	50,368.41	15,901.35
WATERWORKS	70,217.52	948.40	14	1	948.40	1,355.20
POLICE	33,754.00	2,082.75	10	4	9,582.75	27,293.72
INSPECTIONS	51,600.00	0.00	2	0	0.00	6,448.37
TOTALS	374,852.23	16,684.17	122	25	72,059.64	93,385.81

Note: Represents all payments made in 2017, Including those made to settle claims from prior years.

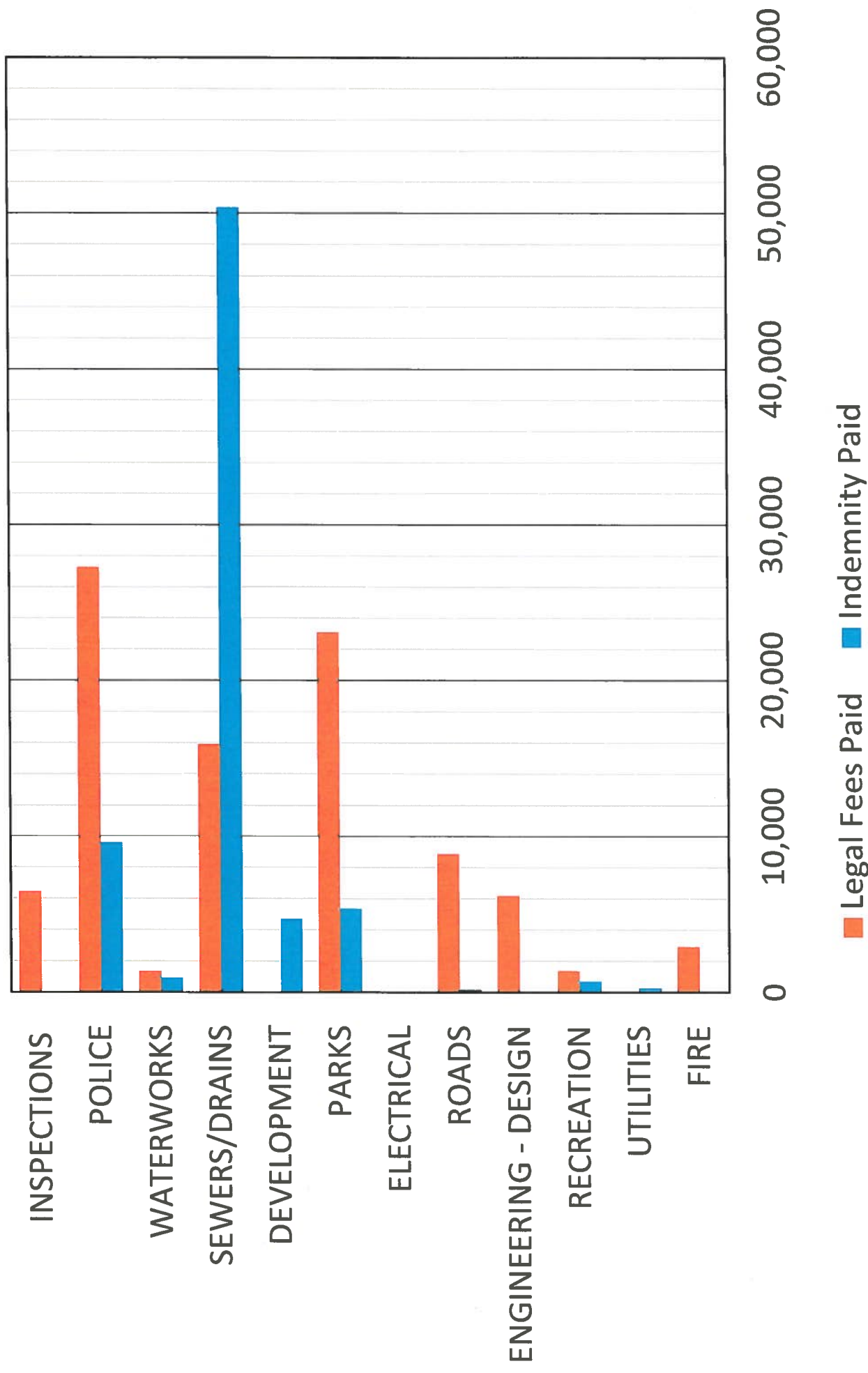
See Accompanying Graphs

YEAR TO DATE SUMMARY (2017 claim year) AS AT DECEMBER 31, 2017



YEAR TO DATE PAID (including claims from prior years)

DECEMBER 31, 2017





The Corporation of the District of Saanich

Briefing Note

To: Finance Committee
From: Valla Tinney, Director of Finance
Date: January 26, 2018
Subject: Backgrounder - Public Consultation on the Financial Plan

Purpose:

To provide the committee members with background information including previous reports and minutes from discussions pertaining to those reports.

Information provided includes:

1. Council Policy
2. Report dated August 14, 2015
3. Minutes from the August 24th Council Meeting
4. Report dated October 19, 2015
5. Minutes from the October 26th Council Meeting
6. Report dated January 8, 2016
7. Minutes from the January 25th Council Meeting
8. Minutes from the February 4, 2016 Finance, Audit and Personnel Committee Meeting pursuant to referral from Council and resulting recommendation to Council.
9. Minutes from the March 7, 2016 Council consideration of the Finance, Audit and Personnel Committee recommendation.

COUNCIL POLICY

SUBJECT: FINANCIAL PLAN - PUBLIC CONSULTATION PROCESS		
DATE:	JANUARY 17, 2000	REFERENCE: 00/31

The following Council policy establishes the Financial Plan public consultation process:

1. Meetings to develop the Financial Plan shall be referred to as Financial Plan Meetings;
2. Notice of Financial Plan meetings stating time and place shall be published in a newspaper circulating in the municipality at least three calendar days before the meeting in question;
3. The notice of meeting shall describe the items of the Financial Plan to be discussed;
4. The notice shall advise how copies of material to be discussed may be obtained; and
5. The notice shall invite input from interested parties.



Report

To: Mayor and Council
From: Valla Tinney, Director of Finance
Date: August 14, 2015
Subject: Public Consultation on the Financial Plan

PURPOSE

To provide information to Council on options for public consultation on the annual budget deliberation process.

BACKGROUND

During the 2015 budget deliberation process, Council expressed interest in what could be done to increase/improve public consultation. Section 166 of the *Community Charter* requires that "A Council must undertake a process of public consultation regarding the proposed financial plan before it is adopted". Council currently has a policy and this has defined process in the past. Council Policy 00/31 is provided as Attachment A. Historically, Saanich has had low turnout for Financial Plan meetings, and only a handful of residents use the public input opportunity provided at the beginning of each meeting. This is not unusual, as many municipalities face challenges with getting effective input during the annual budget process, let alone turnout.

Public Participation Framework

Changing the level of public participation on the budget through an amendment of the policy should be guided by the Public Participation Policy (PPP) that was adopted in the fall of 2013.

The Public Participation Policy states:

"Whenever the District undertakes a public participation process, the objective of the participation, the commitment for performance and the level of the framework will be clarified at the beginning of the process." The range of options are:

INFORM...CONSULT...INVOLVE...COLLABORATE...EMPOWER.

As the budget process has not previously been viewed through our Public Participation Framework it is a key stage gate item to determine where the appropriate place lies within the range. Selecting the appropriate level in the framework will set the tone for budget participation for 2016 and beyond. Saanich currently conducts a "consult" level of public process though an opportunity to present to Council at each Financial Plan meeting.

Examples of more focussed processes used in other communities include those of the cities of Vancouver, Calgary and Victoria. The City of Vancouver undertakes extensive consultation every

four years on their long-term infrastructure and facility needs with regards to asset renewal and new/upgrade/expansion of amenities. During its budget process earlier this year the City of Victoria consulted the public via an in-person and e-town hall to decide how to spend \$5 million in surplus and new tax revenue. These participation processes and others reviewed for purposes of this report would be defined as “consult”, however the type of number of consultation opportunities can vary widely.

Staff recommend that “consult” is still the appropriate level within the framework, however depending on the level of resources that Council is willing to commit there is work that can be done to increase and improve the opportunities for public input.

The other elements of the PPP are clarification of the objectives of the participation and the commitment for performance. The objectives of the participation can vary and should be developed specifically for Saanich. Examples are provided in the next section on “The Experience of Others”. Similarly, performance commitment will be unique to Saanich and dependent upon the level of resourcing.

These decisions should also fit in with the overall OCP – Strategic Plan – Financial Plan continuum. The engagement begins with the development of the OCP and other strategy documents, should then flow through Strategic Plan development and culminate in implementing the Strategic Plan by resourcing it financially. Beginning in 2015 the Strategic Plan is being developed to align with the Council term of office. Ideally, the strategic planning process lays the groundwork for the budget process and budget participation is a check in to make sure we are implementing the Strategic Plan in an appropriate and timely manner. Attachment B provides an example of a four year public consultation cycle.

The Experience of Others

Calgary

One of the most significant budget engagement processes was conducted by the City of Calgary commencing in 2012. The full report from Dialogue Partners who were engaged to implement the process is available on the City’s website. The Calgary process started with development of engagement focus and goals, and communications focus and goals. The eight engagement goals are Calgary’s version of what Saanich would define as “objectives of participation” under our PPP. They provide a very powerful statement about the benefits that can be gained from an in depth process.

Calgary’s Engagement Goals:

1. Gathering values-based input from all stakeholders that will be used and considered in decision-making on the trade-offs and priorities for City services and budget cycle...
2. Providing multiple meaningful and appropriate opportunities to engage staff, citizens and Council in constructive dialogue about issues, priorities and ideas that are important to them.
3. Delivering a transparent, accountable and inclusive engagement process that builds relationships, trust and credibility with stakeholders.
4. Raising awareness and understanding of City services and budget allocation.
5. Building capacity, skills and knowledge of citizens, staff and Council to engage and participate in dialogue about important issues.

6. Building relationships and partnerships with organizations, stakeholders and citizens and creating an increased feeling of involvement on important issues.
7. Providing all participants with the information they need to participate in a meaningful way.
8. Building understanding of the foundation and vision of ImagineCALGARY and the context of this conversation as the path towards beginning the journey of implementation towards that vision.

Victoria

The City of Victoria is a local and recent budget improvement process and was likely observed by Council and Saanich residents. Victoria modelled their process on Vernon and Redmond, WA. Both of these organizations embraced a “bottom up” approach in order to provide the public with clear information on service levels and the impact of changes to those levels. Victoria held extensive meetings with all levels of the organization to develop a model that allowed them to clearly communicate to the public the services, the reason for the services and what it costs on a unit basis to provide the services. Their community engagement placed significant emphasis on public awareness, education and involvement around the City’s budget.

The stated objectives of the process were:

- A. Developing a financial plan that clearly outlines the services the City provides and the planned capital projects, including the benefits, costs and revenues of each.
- B. Aligning budgets with priorities; operating and capital budgets flow out of those priorities. This will foster greater understanding of the benefits of services and capital projects by priority area. This alignment will be accomplished once a new strategic plan is developed.
- C. Increasing public involvement in the financial planning process. Greater public involvement in the financial planning process will garner greater understanding of the City’s finances, service levels and the value for tax dollars received. It will also increase transparency and accountability over time as service levels and financial changes will be clearly outlined to demonstrate impacts.
- D. Outlining the City’s plans for the coming year in the Financial Plan will be the precursor to the Annual Report, which reports out on the results of the plans included in the Financial Plan.

Aligned with the significant changes to the internal development of the budget, was a program to increase the number of people connecting with the City about the budget. The communications team developed videos and easy to access materials that explained the budget. A buzz was created and fostered via social media to generate interest in participating in online surveys and attending the Town Hall in person and online.

The documents developed for Calgary and Victoria have extensive information presented in a modern way through videos and public engagement tools that provide a very clear picture for their citizens to comment on. These are processes requiring significant resources. For example, Victoria established a dedicated working group of eight employees and report that over 70 staff were directly involved.

What is the long term goal and feasibility for implementation of a significant consultation process?

It is suggested that the long term goal for public participation is a holistic process; that under the overarching goals of the OCP, obtains input firstly for development of the strategic plan, and secondly the financial plan. The primary steps and their advantages are:

1. Environmental Scan – During the election campaign, the new Council members will have communicated with constituents about what is top of mind. Documenting this fresh information provides valuable input for the Council during the upcoming strategic planning process.
2. Statistically Significant Surveys - citizen and business surveys conducted post-election help the new Council prioritize issues through an assessment of citizen and business satisfaction with a variety of services and benchmarking/trend data.
3. Full Engagement – A full engagement process conducted by the new Council can provide informed and meaningful input for development of the Strategic Plan. It provides an opportunity for the new Council to conduct outreach with the community in the first several months following the election.
4. Annual Engagement – Annual smaller scale consultation conducted during budget development ensures continued alignment with the Strategic Plan and allows for course correction where needed.

The feasibility for implementation of a full engagement cycle for the Strategic and Financial Plans is primarily impacted by the need to develop new systems. As this cycle would establish new processes, the capacity for the work does not currently exist within the organization. Additionally, work would need to commence in 2016 to ensure that the organization was fully prepared to launch by summer of 2018.

The following types of resources will be essential to successful development of a significantly enhanced engagement cycle:

- Acquisition of resources (human and technology) to manage Council's full and annual engagement processes including organizing and conducting consultation opportunities and developing enhanced communications plans, materials, videos, surveys etc.
- Implementation of budget software that provides the ability to easily prepare and communicate financial data to the public.

Even with additional resources, overall corporate capacity will impact feasibility. In this regard, the following additional factors must be considered:

- Implementation of JDEdwards financial software upgrade beginning fall of 2015 - this is a 12-16 month project that requires the same Finance staff that would be integral to budget process improvements.
- Capacity of other departments – all departments are at capacity with Council's strategic initiatives and priorities combined with regular departmental operations. Development of communications related to the budget requires participation of all departments, therefore this project must be considered in relation to other existing priorities.

If the decision of Council is to aim for a holistic four year participation cycle, the initial consultation would focus on obtaining input to establish a new Council Policy. Contracted resources would be required to manage this project and conduct the first phase of citizen engagement to develop Saanich's "objectives of participation" and establish parameters for the level of commitment as required under the public participation policy. The magnitude of this approach would indicate inclusion in the Strategic Plan as a 2016 initiative would be warranted. This approach is provided as Option 2a under "Next Steps" at the end of this report.

What is feasible in the short term?

- A. If a smaller scale and more immediate process is preferred, the first step would still be to develop a new Council Policy, but the scope would be reduced. Contracted resources would be required to conduct public consultation to develop new budget participation processes. The goal would be to ensure that the engagement that Council conducts is meaningful to residents, business owners, community associations and other stakeholders. This approach is provided as Option 2b under "Next Steps" at the end of this report:
- What information does the public need in order to provide meaningful input; what do they want to know about the budget; examples - budget at a glance, detailed budget, service level information, and flow through from other plans (e.g. Parks, Recreation and Culture Master Plan)?
 - What is the preferred method of engaging with Council – surveys, town hall, workshops, presentations, online budget tools?
 - What do they see from other communities that they like?
- B. There are participation opportunities that would likely require minimal external resources, however without a process to identify public expectations, there is no way to know if the opportunities will result in a meaningful and productive experience for the public and Council. Some additional resources would still be required in the approach which is provided as Option 2c under "Next Steps" at the end of this report:
- Dedicated budget meetings or workshops for public input – although would still need to be in person unless we can have a social media process up and running by next spring (including skills development for staff responsible for responding via social media). If Council is looking to the Nanaimo/Victoria E-Town Hall version, there are IT infrastructure requirements that would need to be assessed.
 - Additional budget materials for the public (e.g. budget at a glance). Coordination of all departments would be required in the late fall to develop relevant information. This would require bringing in some additional resources to develop the materials.

NEXT STEPS:

That Council provide direction to staff for amendments to the "Financial Plan - Public Consultation Process Policy" by:

1. Confirming that participation on the Financial Plan will be on a "consult" level as defined in the Public Participation Policy
2. Directing staff to develop a new Council Policy for consultation on the financial plan based on:
 - a. a four year cycle aligned with elections and strategic planning through development of Saanich's objectives of participation and establishment of parameters for the level of commitment,

OR
 - b. short term improvements incorporating consultation to develop new budget participation processes,

OR
 - c. dedicated budget meeting(s)/workshop(s) for public input and additional budget materials.

RECOMMENDATION:

The staff recommendation is Option 2b - short term improvements incorporating consultation to develop new budget participation processes. This allows Council to obtain input from the public on the new consultation process to ensure that the opportunities that are ultimately put in place are effective and meaningful. If the input leads to an easily managed annual solution then overall costs and impacts will be minimized. If the input indicates that a full four year cycle consultation process is preferred, then the option to scale up to 2a would be readily available, if resourced.

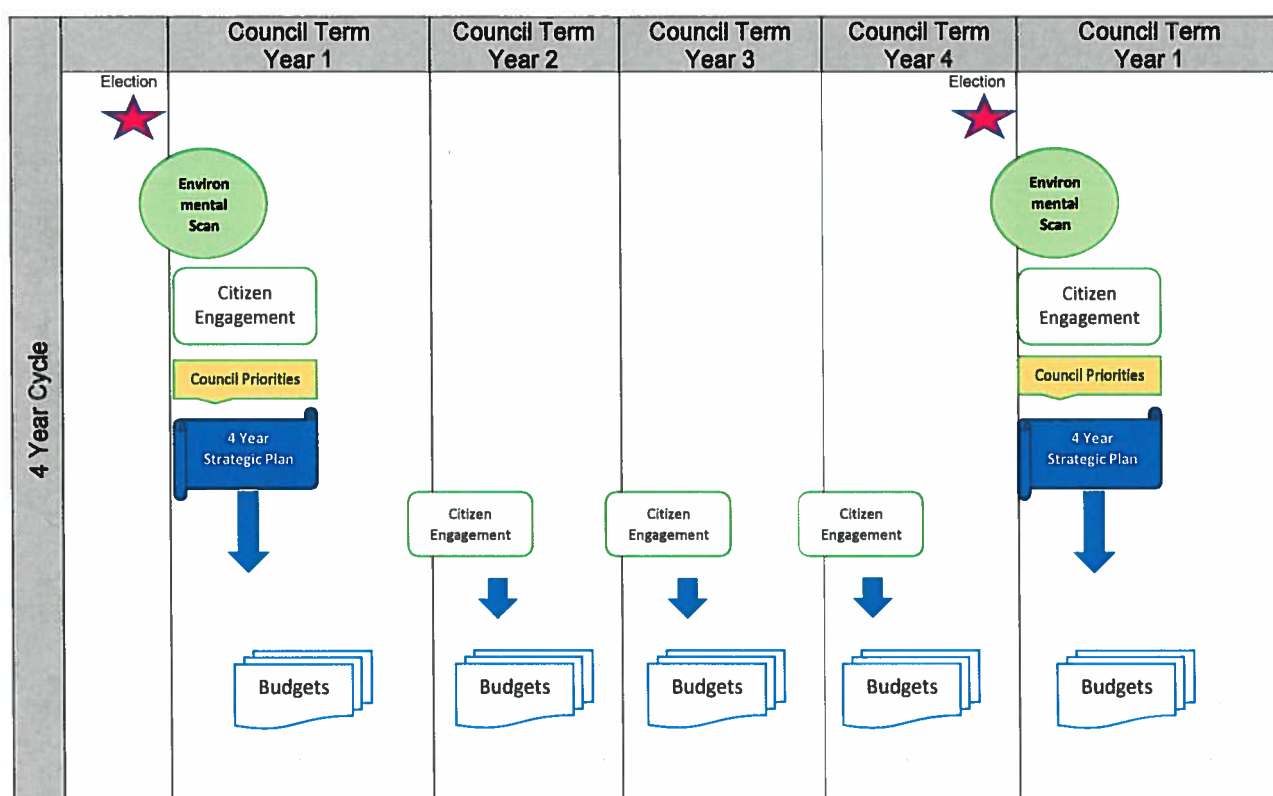
Prepared by:

Valla Tinney, Director for Finance

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation of the Director of Finance.

Andy Laidlaw, Administrator



1410-04
Mayor of Saanich
Facebook Page

D. Morris, Fairmont Place, stated:

Disparaging Remarks on the Mayor of Saanich Facebook Page

- Regrets using the wrong forum to voice his concerns; he recognizes he should have contacted the Planning Department to correct the misinformation.
- The approval process for new businesses in Saanich is too onerous.

RESOLUTIONS FOR ADOPTION:

5280-20
Public
Consultation
Policy

PUBLIC CONSULTATION ON THE FINANCIAL PLAN

Report of the Director of Finance dated August 14, 2015 recommending Council provide direction to staff for amendments to the "Financial Plan – Public Consultation Process Policy" by confirming that participation on the Financial Plan will be on a "consult" level as defined in the Public Participation Policy; and direct staff to develop a new Council Policy for consultation on the Financial Plan based on Option 2(b), short term improvements incorporating consultation to develop new budget participation process.

**MOVED by Councillor Derman and Seconded by Councillor Wergeland:
"That Council:**

- 1. Confirm that participation on the Financial Plan will be on a 'consult' level as defined in the Public Participation Policy; and**
- 2. Direct staff to develop a new Council Policy for consultation on the financial plan based on short term improvements incorporating consultation to develop new budget participation processes."**

Councillor Derman stated:

- He brought the issue before Council due to perceived concerns that the public is consulted too late in the financial plan process. Opportunities for public input need to be created earlier in the process and information needs to be given to all interested parties so they can participate in a meaningful way.
- Members of the public should have an opportunity to fully understand the cost of municipal services in order to provide relevant input.

Councillor Brownoff stated:

- A comprehensive financial plan document entitled "Budget 101" can be accessed on the Saanich website and is an excellent educational tool.
- A participatory budget process has been attempted in the past with little public interest or attendance. The budget process is a difficult one to understand; more educational opportunities for the public and new Council members should be made available.

Councillor Haynes stated:

- More public input is needed in order to make the most logical and practical budget decisions.
- Staff are to be commended on the work put into this process to date.

Councillor Murdock stated:

- He is looking forward to identifying the mechanisms the community would like to see implemented to improve input to Council.

Councillor Plant stated:

- Educational opportunities for improved understanding of the budget process are vital for successful public input. Council must be committed to meeting with the public in a timely manner to gain a better understanding of future needs.
- He hopes to move toward a four year, consultation cycle aligned with elections and strategic planning.

Councillor Sanders stated:

- Budget information sessions have not been well attended in the past.
- Understanding the budget process is imperative for effective input from both Council and the public.

Councillor Wergeland stated:

- Council needs to hear from a cross-section of the community and should reach out to those members of the public who do not usually attend Council meetings or provide input.

Mayor Atwell stated:

- More public consultation is required; feedback on the process and how it can be improved is imperative.

The Motion was then Put and CARRIED

5170-20
Green Municipal
Fund

**RESOLUTION FOR FEDERATION OF CANADIAN MUNICIPALITIES (FCM)
GREEN MUNICIPAL APPLICATION**

Report of the Director of Planning dated August 19, 2015 recommending that Council endorse the application for a loan and grant from the Federation of Canadian Municipalities Green Municipal Fund to support the replacement of boilers and other heating system upgrades at the Gordon Head Recreation centre; and that pending loan approval from the Federation of Canadian Municipalities Green Municipal Fund, Council direct staff to make an amendment to the Financial Plan bylaw.

MOVED by Councillor Derman and Seconded by Councillor Brice: "That Council endorse the application for a loan and grant from the Federation of Canadian Municipalities (FCM) Green Municipal Fund; and that pending loan approval from the FCM Green Municipal Fund, Council direct staff to make an amendment to the Financial Plan bylaw."

Councillor Derman stated:

- All associated costs for the project will be recovered by the end-of-life date of the proposed boiler and heating systems.
- The benefits of mitigating greenhouse gases cannot be stressed enough, this project is the equivalent of taking 80-90 cars off the road. It is likely that Saanich will be moving to a non-centralized grid in the future where we would provide our own renewable energy.



Report

To: Mayor and Council
From: Valla Tinney, Director of Finance
Date: October 19, 2015
Subject: Designing Public Consultation on the Financial Plan

PURPOSE

To provide options to Council for a public consultation process to design meaningful community engagement on the financial plan.

BACKGROUND

At the August 24th meeting of Council the following motion was passed:

1. Confirm that participation on the Financial Plan will be on a “consult” level as defined in the Public Participation Policy
2. Direct staff to develop a new Council Policy for consultation on the financial plan based on short term improvements incorporating consultation to develop new budget participation processes.

In arriving at this option, Council considered that contracted resources would be required to conduct public consultation to design processes that would be reflected in the new budget engagement policy. The key deliverable of this project is a clear plan on what public consultation on the budget will look like for the future, informed by public input. The goal is to ensure that the engagement process Council ultimately adopts is the right solution for Saanich; meaningful to residents, business owners, community associations and other stakeholders. It also needs to provide robust information that Council can incorporate into its financial planning so that the public can see a correlation between the engagement process outcomes and the decisions Council makes.

This first phase may lead to an easily managed annual solution with overall costs and impacts minimized all the way through to a full four year cycle consultation process that may require significant ongoing resources. Council will ultimately weigh costs and benefits in establishing the final policy direction.

DISCUSSION:

Dialogue Partners is the organization the District worked with to develop the Council Policy on Public Participation, Public Process Handbook and the internal Public Participation Toolkit. They have developed in-depth knowledge of the District’s participation processes and organizational culture through extensive interaction with staff in the development of these processes and materials. Given their ability to “hit the ground running” with Saanich, they were asked to present

three options for designing a meaningful public engagement process for the Financial Plan. Their proposal is provided as Attachment A. In summary, they have provided three options and outlined the activities, deliverables, risks and fees associated with each option:

	Approach	Policy Alignment	Fee
1.	Gather some quick basic input from those who easily self-select to participate.	Does not align with Council Policy on Public Participation	\$ 26,700
2.	Implement an inclusive process to understand general direction and suggestions from residents.	Meets minimal requirements of the Council Policy on Public Participation	\$ 49,095
3.	Create an inclusive and representative process that works directly with participants to understand knowledge levels and needs, ideas, concerns and suggestions for a meaningful process.	Aligns with Council Policy on Public Participation	\$ 74,600

The proposed engagement design process (all options) would run parallel to the status quo budget process for 2016. The “wrap up” that will culminate with Council’s decision on the consultation process for 2017 (and beyond) aligns well with the ongoing budget cycle. Work for the 2017 budget commences in June 2016, and with the new process defined and resourced by Council, any new activities can be planned and implemented at the very start of the budget cycle.

Process	Nov/Dec 2015	Jan/Feb 2016	March 2016	Apr/May 2016
2016 Budget	Budget preparation	Budget review and presentation to Council	Budget presentations to Council Grants presentations	Budget finalization
Designing Meaningful Public Engagement on the Financial Plan	<u>Phase 1</u> Assessing the situation; planning and design	<u>Phase 2</u> Implementing the public engagement process	<u>Phase 3</u> Reporting and analysis	<u>Wrap up</u> Council decision on future public engagement process

CONSIDERATIONS:

Even with additional resources to run this process, overall corporate capacity will be challenged to provide the appropriate level of commitment to ensure success. In this regard, the following additional factors must be considered:

- Development of the 2016-2020 Financial Plan – this work must continue on the regular schedule in order that the Financial Plan and Tax Rate bylaws can be adopted by May 15, 2016 as required under the Community Charter.

- The project to implement the JD Edwards financial software upgrade has commenced - this project is estimated to take 16 months and requires the same Finance staff that are integral to budget process improvements. Additional resources and internal secondments requiring backfilling are already needed for the JDE project.
- Capacity of other departments – all departments are at capacity with Council's strategic initiatives and priorities combined with regular departmental operations. Two of the options incorporate a half day workshop for staff. Development of communications related to the budget requires participation of all departments, therefore this project must be considered in relation to other existing priorities.
- Concurrent participation activities - the governance review process is anticipated to be conducted concurrently with this process increasing the risk of participation overload or confusion about which process stakeholders are engaging in.
- Internal resources for this project do not currently exist. Finance Department staff have not been trained IAP2 and the skill sets required do not naturally align with those required for accounting focused positions. Utilizing existing finance staff would require training, which takes a full week in Vancouver at a cost of over \$3,000 per participant. This strategy is not recommended due to the previous considerations discussed.

Selection of option 2 or 3 will require a new dedicated staff resource or secondment of a current Saanich employee from another department who has been trained and is regularly involved in participation processes. With other significant participation processes underway at the District (SVAP, EDPA) these resources are scarce.

FINANCIAL IMPLICATIONS:

Funding for this project is not currently included in the Financial Plan. Financial resources for the 2015 portion of the work can be managed within the Finance Department's existing budget; however, funding for 2016 must be confirmed as an addition to the 2016 Financial Plan.

RECOMMENDATION:

1. That Council approve a single source award to Dialogue Partners to design a meaningful community engagement process for the financial plan based on option:
 - a. Gathering some quick basic input from those who easily self-select to participate (\$26,700 contract);
 - b. Implementing an inclusive process to understand general direction and suggestions from residents (\$49,400 contract + \$10,000 for internal support);OR
 - c. Creating an inclusive and representative process that works directly with participants to understand knowledge levels and needs, ideas, concerns and suggestions for a meaningful process (\$74,600 contract + \$20,000 for internal support).
2. Approve a one-time resource request for the funding required in the 2016 Financial Plan.

Prepared by:

Valla Tinney, Director for Finance

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation of the Director of Finance.

Andy Laidlaw, Administrator

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

- The funds allocated for future purchases up to 2019 would give the municipality the option to purchase additional electric vehicles.
- Saanich worked with the Greater Victoria Joint Purchasing Group (GVJPG) to leverage the best price for the vehicles; cost savings were realized.
- The types of vehicles purchased can be re-evaluated for future years.
- There are sufficient charge stations at the Hall to accommodate future purchases.

Councillor Derman stated:

- Technology is constantly changing and there may be more advanced vehicles available next year; in future years, it may be appropriate to consider more advanced vehicles.

Councillor Brice stated:

- She compliments the GVJPG for their work and appreciates the cost savings.

The Motion was then Put and CARRIED

1410-04
Report of
Mayor
Atwell

FIREFIGHTING MUTUAL AID AGREEMENT

Report of Mayor Atwell dated October 21, 2015 recommending that staff be directed to work collaboratively to develop a Project Charter and Terms of Reference for the four communities to develop a new core Fire Services Agreement between the District of Saanich, Township of Esquimalt, City of Victoria and District of Oak Bay. The report of the Fire Chief dated October 13, 2015 regarding the Firefighting Mutual Aid Agreement Bylaw, 1980, No. 4555 is also attached.

Xref: 1050-20
Firefighting
Mutual Aid
Agreement

MOVED by Councillor Derman and Seconded by Councillor Brice: "That Council direct staff to work collaboratively with the Township of Esquimalt, the City of Victoria and the District of Oak Bay to create a Project Charter and Terms of Reference; and to develop a new core Fire Services Agreement between the four communities."

Councillor Derman stated:

- The Mayor and Fire Chiefs are to be commended; the integration of services will potentially provide better services to residents and may reduce costs.

Councillor Brice stated:

- The Mayor is to be commended; this is a great concept towards working together for the greater good.

The Motion was then Put and CARRIED

1410-04
Report of
the Director
of Finance

DESIGNING PUBLIC CONSULTATION ON THE FINANCIAL PLAN

Report of the Director of Finance dated October 19, 2015 recommending that Council approve a single source award to Dialogue Partners to design a meaningful community engagement process for the Financial Plan based on Option A, B or C, as outlined in the report; and that Council approve a one-time resource request for the funding required in the 2016 Financial Plan.

5280-20
Xref:
Financial
Plan

Councillor Brice stated:

- The Governance Review committee may consider a public consultation process for the Financial Plan as part of their review, therefore, it may not be necessary to invest money this year to design a process.

Councillor Haynes stated:

- Public input on the Financial Plan may be included as part of the Governance Review; there may be alternative methods of getting feedback in the short term, such as through a Town Hall meeting.

Councillor Derman stated:

- It is necessary to educate the public on the services and priorities of the municipality and give them the opportunity to provide feedback; the Governance Review may consider the public consultation process.

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

- The options provided in the report are to assist Council in developing a consultation process for the 2017 Financial Plan; the 2016 Financial Plan process is currently underway.
- The options are designed to find out from the community how they wish to be engaged in the process.

Councillor Derman stated:

- It may be appropriate to refer the issue to Saanich Community Association Network (SCAN) for intermediate input while the Governance Review committee reviews the consultation process.

MOVED by Councillor Derman and Seconded by Councillor Wergeland: "That Council approve a single source award to Dialogue Partners to design a meaningful community engagement process for the Financial Plan based on option 1(a) – gathering some quick basic input from those who easily self-select to participate, at a cost of \$26,700", as outlined in the report of the Director of Finance dated October 19, 2015.

Councillor Wergeland stated:

- There are major budgetary items coming forward over the next years and an ambitious Governance Review that will be reviewing processes.

Mayor Atwell stated:

- It may be appropriate to ask SCAN and Community Associations how they wish to provide input into the Financial Plan.

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

- The 2016 budget process is currently underway; the public consultation process would begin in the Spring of 2016 for the 2017 budget process.

Councillor Brownoff stated:

- All Community Associations should be solicited for feedback into how they wish to provide input into the Financial Plan; it is not appropriate to spend a lot of money now when the Governance Review committee may be reviewing the public consultation process.

Councillor Plant stated:

- Community Associations should have the opportunity to provide feedback into how they wish to give input into the Financial Plan.

Councillor Haynes stated:

- Input from all individuals should be welcomed.

Councillor Murdock stated:

- SCAN and Community Associations already provide input into the Financial Plan; other interested individuals should also be permitted to provide input.
- It is unknown if the scope of work for the Governance Review will include public consultation on the Financial Plan.
- He would support option 1(b) which includes having other interested individuals provide input into the design process.

Councillor Derman stated:

- Public consultation will begin in the Spring of 2016; the options outline approaches to design the process of consultation; recommendations from these options may not be ready by the Spring.
- It may be more timely to ask SCAN and Community Associations for recommendations on how input could be incorporated into the process.

**The Motion was then Put and DEFEATED
with all OPPOSED**

MOVED by Councillor Derman and Seconded by Councillor Haynes: "That Council direct staff to request the Saanich Community Advisory Committee (SCAN) to provide feedback on increasing public involvement in the Financial Plan process, and that SCAN be further requested to obtain broad input from Community Associations and other interest groups."

Councillor Murdock stated:

- He does not support the motion; a longer term solution for engaging residents effectively should be explored.

Councillor Plant stated:

- The Chamber of Commerce could be included as an interest group to provide input into the process.

Councillor Haynes stated:

- He wonders if SCAN and the Community Associations will have the time and interest in providing feedback and how other stakeholders will be involved; the Finance, Audit and Personnel Standing Committee may be able to recommend other individuals who may wish to provide input.

Councillor Derman stated:

- Staff could decide to advertise for interested parties through the Saanich News.

Councillor Sanders stated:

- She does not support the motion; consideration of one of the options in the report would be preferable.

Councillor Wergeland stated:

- It is important to open the process to get feedback.

Councillor Brownoff stated:

- There are other groups that should be considered for input; the website could be used to get residents to respond to a questionnaire or suggestions on incorporating feedback into the Financial Plan process.

Councillor Brice stated:

- SCAN could determine which groups and organizations would be included to provide recommendations on the process.

**The Motion was then Put and CARRIED
with Councillor Murdock and Sanders OPPOSED**

1410-04
Report of
the CAO

Xref: 1970-
40
Strategic
Plan

DRAFT 2015-2018 STRATEGIC PLAN

Report of the Chief Administrative Office dated October 19, 2015 recommending that Council approve the revisions to the draft 2015-2018 Strategic Plan as outlined in the report; and that Council adopt the revised 2015-2018 Strategic Plan.

MOVED by Councillor Haynes and Seconded by Councillor Brice: "That:

- 1. Council approve the revisions to the draft 2015-2018 Strategic Plan as outlined in the report of the Chief Administrative Officer dated October 19, 2015; and**
- 2. Council adopt the revised 2015-2018 Strategic Plan."**

Councillor Derman stated:

- He thanks staff for the work done on the Strategic Plan.
- The Governance Review may make recommendations on improvements to the Plan in the future.

Councillor Wergeland stated:

- He wonders if justification is needed for the increase in kilometres of new bike lanes and sidewalks.

In response to a question from Council, the Chief Administrative Officer stated:

- A number of suggestions and changes received were incorporated into the Plan and a number of comments will be forwarded to Council for consideration in the 2016 Strategic Plan.
- The groups that provided input were advised accordingly.
- A shorter version of the Plan is available and will be posted on the website and available in print form.

The Motion was then Put and CARRIED

The Directors of Engineering, Finance and Corporate Services left the meeting at 9:50 pm.



The Corporation of the District of Saanich

Report

To: Mayor and Council
From: Valla Tinney, Director of Finance
Date: January 8, 2016
Subject: Feedback for Public Consultation on the Financial Plan

PURPOSE

To provide Council with feedback received from SCAN members about public consultation on the financial plan.

BACKGROUND

At the October 26th, 2015 meeting, Council requested SCAN members provide feedback on increasing public involvement in the financial plan process. Two submissions were received by December 31st, 2015 and are provided as attachments.

DISCUSSION

The Residents Association of Strawberry Vale, Marigold and Glanford provided two suggestions.

1. *Undertake a zero-based budgeting exercise.*
2. *Follow the model used by the Province of BC to solicit budgetary input. This model consists of a standing committee and public consultation via an on-line survey, or in-person, audio or video presentations. These consultations culminate in a report to the Government recommending certain actions.*
<https://www.leg.bc.ca/parliamentary-business/committees/40thparliament-4thsession-fgs>.

The first recommendation relates to the way the budget is developed at the staff level and is outside of the scope of Council's request. The second suggestion refers to an extensive and robust process. The consultation paper and resulting report are provided for reference as an attachment.

In the letter submitted by the Quadra Cedar Hill Community Association (QCHCA), the primary recommendation related to public process is:

"The outreach citizen engagement and public input should be on the same level as for documents such as the Strategic Plan, the Official Community Plan and the Parks Master Plan".

These processes are similar in scope to the Province of BC's consultation. For reference, the budget for the last OCP review was \$70,000 plus .9 FTE (\$80,000), the Parks Master Plan process finalized in 2013 cost \$141,000 plus the equivalent of two FTEs; and the currently proposed LAP consultations are estimated at \$100,000 plus 1.0 to 1.5 FTEs (\$90,000-\$135,000). The District does not have a process formalized for consultation on the Strategic Plan.

The association made a variety of other suggestions that provide great feedback, but are directed at the format, style and content of the Financial Plan document and budget methodology.

OPTIONS:

1. Direct staff to report back to Council with a Financial Plan consultation process plan similar to the Province of BC model, and the Saanich Master Plan/OCP review model (as recommended by the community associations that submitted responses) complete with detailed budget estimates. This option is roughly estimated at over \$200,000 based on similar Saanich processes. It is uncertain if it is feasible to implement this option in time for the 2017 budget process.
2. Reconsider the original staff recommendation:

That Council approve a single source award to Dialogue Partners to design a meaningful community engagement process for the financial plan based on option:

- a. Gathering some quick basic input from those who easily self-select to participate (\$26,700 contract);
- b. Implementing an inclusive process to understand general direction and suggestions from residents (\$49,400 contract + \$10,000 for internal support);

OR

- c. Creating an inclusive and representative process that works directly with participants to understand knowledge levels and needs, ideas, concerns and suggestions for a meaningful process (\$74,600 contract + \$20,000 for internal support).

These processes would identify desired engagement for which funding would be considered during the 2017 budget process and implementation would occur for development of the 2018 Financial Plan.

3. Materials development: comments provided by QCHCA included a request for easy to understand materials and improvements to the Financial Plan document through increased use of graphs and other visual aids. The District has been systematically

working the new visual identity program into its corporate documents (Strategic Plan and Annual Report) and incorporating use of infographics. The Financial Plan is an obvious next choice for this type of update. A one-time budget allocation of \$20,000 would provide sufficient funding to work with a graphics company to improve the document, develop new visual aids such as a "budget in brief" and improved presentation of information on the website. This work would commence in June 2016 updating the 2016 Financial Plan document and developing materials in time for the commencement of 2017 budget development.

RECOMMENDATION

1. That Council approve Option 2c with the goal of implementing new processes for the 2018 budget (new consultation processes identified would commence in the summer of 2017);
2. That Council approve Option 3; and
3. That Council refer the one-time funding requirements to the 2016 budget process.

Prepared by

Valla Tinney, Director of Finance

Attachments:

1. Email from Residents Association of Strawberry Vale, Marigold and Glanford
2. Budget Consultation Paper, Province of BC
3. Report on the Budget 2016 Consultation, Province of BC
4. Letter from Quadra Cedar Hill Community Association
5. Excerpt from the Saanich Parks, Recreation and Culture Master Plan
6. February 28, 2007 Staff Report – Official Community Plan Review – Work Schedule

ADMINISTRATOR'S COMMENTS:

I endorse the recommendation of the Director of Finance.

Paul Thorkelsson, Administrator

1410-04
Report – Finance

xref: 5280-20
Financial Plan

FEEDBACK FOR CONSULTATION ON THE FINANCIAL PLAN

Report from the Director of Finance dated January 8, 2016 recommending that Council approve Option 2(c) of the report with the goal of implementing new processes for the 2018 budget (new consultation process to commence in the summer of 2017); approve Option 3, as outlined in the report; and that Council refer the one-time funding requirements in the 2016 budget process.

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

- Option 1 in the report outlines using a defined process similar to that which is used for Saanich Master Plan/Official Community Plan; it is a robust process and could be costly.
- Option 2 outlines getting feedback from the public to determine the type of community engagement that should take place.
- Option 2(c) is the staff recommendation as it aligns with the Public Participation Policy in terms of the type of consultation that would take place and includes a public educational component.
- The implementation of the new financial software is a significant project currently underway; it would be challenging for staff to work on a public consultation process during this time.
- The additional funding in the proposal is for internal staff with the necessary public participation skillsets.

In response to questions from Council, the Chief Administrative Officer stated:

- It is too late in the 2016 Financial Plan process to include an educational component.
- Consideration at this point should be to either make improvements to the 2016 Financial Plan document and make it easier to understand or start a process to identify desired engagement opportunities that would occur for the development of the 2018 Financial Plan.
- Option 2(c) targets the use of consultants who have experience in developing public consultation processes around budgeting.
- Option 2(a) outlines a process that is less formal and would gather input from groups such as Community Associations.
- There is a need for dedicated resources if Council chooses to move forward with a full public engagement process.

Councillor Wergeland stated:

- At this point, it may be better to keep the process simple; residents have expressed the desire to give input earlier in the budget process.

Councillor Brice stated:

- It is important to ensure that community priorities are current; the public needs to understand the budgeting process and how they can give meaningful input.
- Having the community focus on a few areas of interest may be an appropriate way to start the process.

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

- It may be that the public wishes to focus on a specific portion of the budget.

Councillor Derman stated:

- The public has expressed a desire to have input earlier in the budget process; it will be important to have a public educational component so that meaningful feedback can be provided.
- Consideration should be given to having a periodic review of community priorities.

Mayor Atwell stated:

- It is important to make the budgetary process more transparent and to provide an educational component for the public.
- Council should get a better sense of how well our current process works.

Councillor Murdock stated:

- There may be a need to have in-house expertise for the engagement function which could be utilized throughout the organization.

Councillor Brownoff stated:

- The public wants more engagement; the Citizen and Business Surveys assist with setting priorities in the budget process.
- The Financial Plan has evolved over many years; visual aids may help residents understand it better.
- The public educational component is important; having an in-house expert would be helpful and could be utilized throughout the organization.

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

- The Citizen and Business Surveys were last completed in early 2015 and are done every four years.

Councillor Derman stated:

- Council needs to consider what changes they wish to see to the public consultation process.

**MOVED by Councillor Derman and Seconded by Councillor Haynes:
"That Council refer the item to the Finance, Audit and Personnel Standing Committee to discuss the possibility of creating an in-house job function specific to public engagement."**

CARRIED

Councillor Wergeland stated:

- It may be appropriate to ask the Community Associations how they think the consultation process could be improved.

Councillor Plant stated:

- Educational information on the budget process is available on the municipal website.

The Director of Legislative Services left the meeting at 8:30 p.m.

**MINUTES OF THE
FINANCE, AUDIT AND PERSONNEL STANDING COMMITTEE MEETING
COMMITTEE ROOM #1, SAANICH MUNICIPAL HALL, 770 VERNON AVENUE
THURSDAY, FEBRUARY 4, 2016 3:30 to 5:10 PM**

Present: Chair: Mayor Richard Atwell
Members: Councillors Fred Haynes, Vicki Sanders and Colin Plant
Staff Members: Paul Thorkelsson, Chief Administrative Officer; Valla Tinney, Director of Finance; Laura Ciarniello, Director of Corporate Services (4:00 pm), Jennifer Downie, Administrative Assistant

MINUTES FOR ADOPTION – November 5, 2015

MOVED by Councillor Haynes and seconded by Councillor Plant: "That the minutes of the Finance, Audit and Personnel Standing Committee meeting of November 5, 2015 be approved."

Carried

REGULAR MEETING SCHEDULE

As noted in the November 5, 2015 Minutes of the Finance, Audit and Personnel Standing Committee, Mayor Atwell advised that this Committee is to be restructured and membership may need to be changed. It is anticipated that new schedules will be developed when the new Committees are formed.

MOVED by Councillor Plant and seconded by Councillor Haynes: "That the Finance, Audit and Personnel Standing Committee continue to hold its regular meetings on the first Thursday of the month at 3:30 PM."

Carried

UTILITY BILLING RESTITUTION POLICY

The Director of Finance presented the Utility Billing Restitution Policy in relation to the District's utility overbilling and / or underbilling of utilities. At the September 3, 2015 Finance, Audit and Personnel Standing Committee meeting, the Committee discussed options to address unusual water utility billing issues and directed staff to develop a Utility Billing Restitution Policy.

MOVED by Councillor Plant and seconded by Councillor Haynes: "That the Finance, Audit and Personnel Standing Committee request staff bring to Council the Water Utility Billing Restitution Policy to allow staff to adjust water utility overbilling and / or underbilling under the following conditions:

- a. **Where it is conclusively determined that a customer's account has been overbilled in error, the Saanich Utility Billing Section will refund the overage retroactive up to a maximum of 15 billing cycles (five years) from the billing date for all property types.**
- b. **Where it is conclusively determined a customer's account has been underbilled in error, the Saanich Utility Billing Section will retroactively charge for the underbilling for the current and previous two utility bills.**
- c. **Utility restitution will apply to water utility accounts and consumption or billing for sewer related charges.**

as outlined in the Utility Payment Restitution report from the Director of Finance, dated January 26, 2016."

Carried

WATER UTILITY LEAK ADJUSTMENTS

The Director of Finance presented the Amended Leak Adjustment Policy as directed by the Finance, Audit and Personnel Standing Committee, at the September 3, 2015 meeting. The Amended Leak Adjustment Policy includes an amendment where the payee is another local government.

The intention of providing leak adjustments to other local governments is to ensure the District recuperates the direct cost of the bulk water consumed and charged by the Capital Regional District for any excess due to a leak, but provides some relief from District's charges for other operations and capital requirements. The delegation to the Director of Finance to approve a leak adjustment for other local governments is a collaborative measure.

The Director of Finance to provide a brief report outlining the final outcome of the flooding incident caused by a water main break that occurred on October 4, 2014, at Burnside Road West and Wilkinson Road.

MOVED by Councillor Sanders and seconded by Councillor Plant: "That the Finance, Audit and Personnel Standing Committee request staff bring to Council an amendment to the Leak Adjustment Policy to delegate authority to the Director of Finance to approve leak adjustments to another local government regardless of the leak location(s) provided that the owner has met the requirements to repair the leak(s) as outlined in the Amended Leak Adjustment Policy report from the Director of Finance, dated January 26, 2016."

Carried

Q3 2015 FINANCIAL RESULTS

The Director of Finance presented the Q3 2015 Performance Report. After reviewing the report, the Committee requested the Director of Finance prepare a report outlining the reasons for overages greater than ten percent on individual projects.

MOVED by Councillor Haynes and seconded by Councillor Sanders: "That the Finance, Audit and Personnel Standing Committee receive the Q3 Performance Report for information."

Carried

FEEDBACK ON CONSULTATION ON THE FINANCIAL PLAN

The Chief Administrative Officer advised that this item was referred to the Finance, Audit and Personnel Standing Committee to discuss the possibility of creating an in-house job function specific to public engagement.

The Chief Administrative Officer advised that staff is at full capacity and by placing a project of this magnitude onto staff would jeopardize other projects that are currently underway. It would be helpful to understand Council's direction and intent prior to moving forward.

The Committee discussed the need to increase and engage public participation.

The Director of Corporate Services advised that prior to public outreach, Council should provide parameters and a set of values and frame questions in a way that would allow for more meaningful input from the public.

The Committee reviewed the motion that was passed at the August 25, 2015, Council meeting:

MOVED by Councillor Derman and Seconded by Councillor Wergeland: "That Council:

1. Confirm that participation on the Financial Plan will be on a 'consult' level as defined in the Public Participation Policy; and
2. Direct staff to develop a new Council Policy for consultation on the financial plan based on short term improvements incorporating consultation to develop new budget participation processes."

Motion was put and CARRIED

It was noted that noted that Part 2 of this motion still requires an outcome and solution.

The Director of Finance noted that the intent of this motion was to provide the public with an opportunity to assist and provide input to Council in designing a new budget process. It was intended to talk to the public about what they wanted to see; try to identify if the public wanted a robust process or survey; what information did they need or want to see; and how they wanted to participate in order to add value to Council.

Councillor Haynes noted that he would like to explore what Council's intent and objectives are prior to moving ahead.

MOVED by Councillor Haynes and seconded by Councillor Sanders that all members of Council be invited to the Finance, Audit and Personnel Standing Committee to provide and clarify intent on the Public Consultation on the Financial Plan.

**This motion was defeated
With Mayor Atwell, Councillors Plant and Sanders opposed.**

MOVED by Councillor Haynes and seconded by Councillor Sanders that the Finance, Audit and Personnel Standing Committee request a Special meeting of Council be convened for the purpose of discussing how to advance Public Consultation on the Financial Plan.

Carried

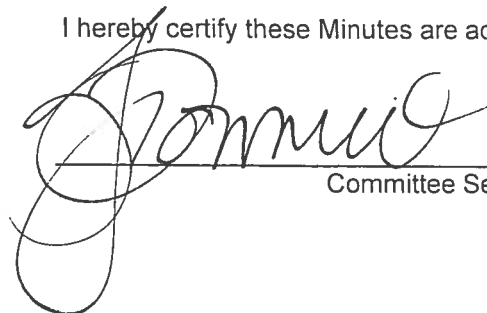
ADJOURNMENT

Carried



Chair

I hereby certify these Minutes are accurate.



Committee Secretary

- c. Utility restitution will apply to water utility accounts and consumption or billing for sewer related charges.”**

Councillor Haynes stated:

- He thanked staff for preparing a policy that outlines the process for residents to address overbilling.

The Motion was then Put and CARRIED

1030-30

Water Utility Leak
Adjustments

WATER UTILITY LEAK ADJUSTMENTS

Recommendation from the February 4, 2016 Finance, Audit and Personnel Standing Committee meeting that Council approve the proposed amendment to the Water Utility Leak Adjustments Policy as outlined in the report from the Director of Finance dated January 26, 2016.

MOVED by Councillor Derman and Seconded by Councillor Haynes:
“That Council approve the proposed amendment to the Water Utility Leak Adjustments Policy to delegate authority to the Director of Finance to approve leak adjustments to another local government regardless of the leak location(s) provided that the owner has met the requirements to repair the leak(s) as outlined in the Amended Leak Adjustment Policy report from the Director of Finance dated January 26, 2016.”

Councillor Haynes stated:

- He thanked staff for preparing a policy that outlines the process in dealing with leak adjustments within the region.

The Motion was then Put and CARRIED

1030-30

Public
Consultation on
Financial Plan

FEEDBACK ON CONSULTATION ON THE FINANCIAL PLAN

Recommendation from the February 4, 2016 Finance, Audit and Personnel Standing Committee meeting that Council convene a Special Meeting of Council for the purpose of discussing how to advance Public Consultation on the Financial Plan.

In response to questions from Council, Mayor Atwell, stated:

- The intent of the recommendation was to call a Special Council meeting that would include public input.

Councillor Derman stated:

- A workshop that would allow residents to have an open dialogue rather than in a presentation format at a Council meeting may be preferable.

Councillor Haynes stated:

- A workshop may assist Council in clarifying how to move forward with identifying opportunities for public consultation.

MOVED by Councillor Derman and Seconded by Councillor Haynes:
“That Council convene a Special Meeting of Council for the purpose of discussing how to advance Public Consultation on the Financial Plan.”

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

- Timelines outlined in the original report cannot be met because of two factors; the 2016 budget process is in progress and the JD Edwards upgrade is underway therefore staff availability will be limited in 2016.

Councillor Haynes stated:

- Public awareness of the financial planning tools and process is important; it is also important to start public consultation early in the budget process.
- A workshop may assist Council in setting a clear direction on how to proceed.

Councillor Derman stated:

- It is important to determine how to provide the public with education and information about what is involved in the budget process and have a process that will allow consultative input before decisions are made.

The Motion was then Put and CARRIED

REPORTS FROM MEMBERS OF COUNCIL

1410-04
Report – Council

xref: 1300-60
Federal Ban on
Microbeads

MUNICIPAL SUPPORT FOR FEDERAL BAN ON MICROBEADS

Report from Councillors Haynes and Murdock dated February 22, 2016 recommending that Council support the proposed federal ban on microbeads, that letters of support be sent to the appropriate Ministers, and that a letter be sent to the Capital Regional District requesting their support in time for the public input period ending March 10, 2016.

MOVED by Councillor Haynes and Seconded by Councillor Murdock:
“That:

- 1. Council support the Government of Canada proposal to add microbeads to the List of Toxic Substances under subsection 64(a) of the *Canadian Environmental Protection Act (CEPA)*, 1999;**
- 2. Letters be sent to the appropriate Ministers; and**
- 3. A letter be sent to the Capital Regional District requesting their support for the Federal Government in time for the public input period ending March 10, 2016.”**

Councillor Haynes stated:

- It is appropriate that the Federal Government is providing the opportunity for public input.
- Microbeads are manufactured in personal care products and some are too small to be caught by wastewater treatment facilities when they are rinsed down the drain; instead they flush into the aquatic environment.
- Adding microbeads to List of Toxic Substances would provide source control.

Councillor Murdock stated:

- Microbeads are prevalent in the market; the United States has banned the use of microplastics effective 2017.
- The amount of bio-accumulation through the food chain is astonishing; banning the use of microbeads will assist with decreasing the amount of microplastics in the environment.

PB Victoria Steering Committee 2017: Rulebook

Updated: December 11, 2017

About this Rulebook

This handbook is a living document meant to be revised annually. It was first put together in Summer 2017 by the Participatory Budgeting Victoria Steering Committee, a group of volunteers mandated by the City of Victoria to develop local guidelines for Participatory Budgeting. Here you will find the definition, goals, and rules of Participatory Budgeting in Victoria.

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Background

What is Participatory Budgeting?

Participatory Budgeting (PB) is a democratic process in which community members directly decide how to spend part of a public budget. The process was first developed in Brazil in 1989 and is now practiced in over 1,500 cities around the world. PB, as a form of participatory democracy, involves public meetings, outreach, discussion, and voting so that the public can be engaged in decision-making

What is PB in Victoria?

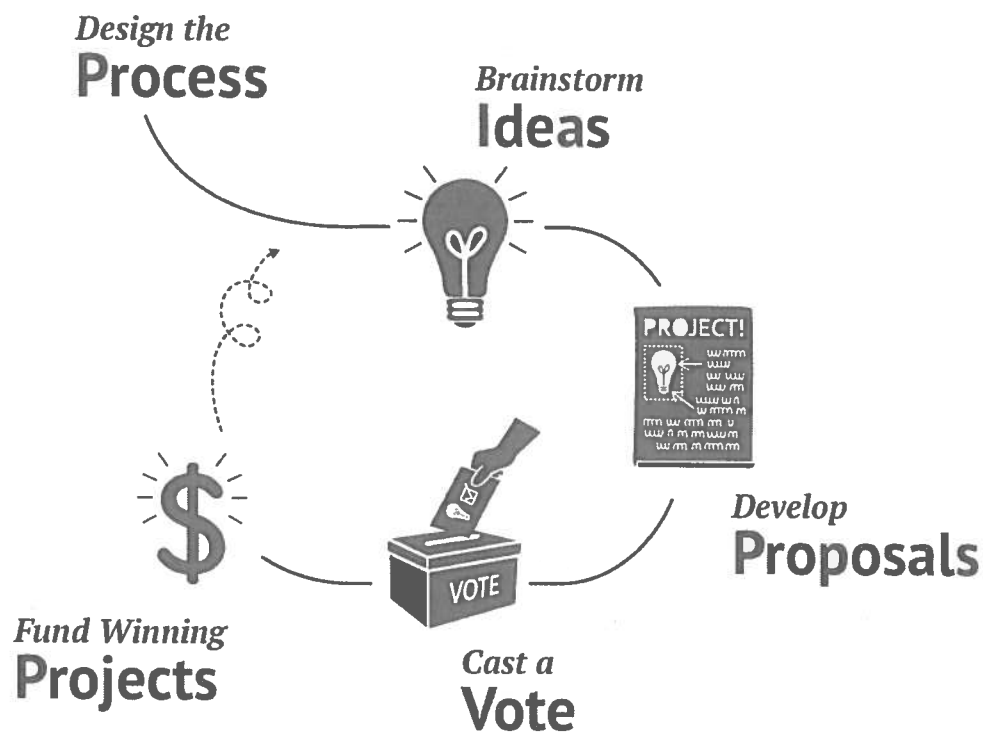
Participatory Budgeting is an innovative democratic process that gives an entire community the opportunity to participate and decide how to invest a portion of the City of Victoria's annual budget. This approach is being piloted in Victoria based upon successful experiences and investments made in other cities across the globe.

In 2014, Victoria's City Council directed staff to develop a Participatory Budgeting pilot as part of a two-year phased transformation of the financial planning process. The 2015-2018 Strategic Plan, under "Engage and Empower the Community", outlines actions to design a Participatory Budgeting process which will build the capacity of neighbourhood/community associations and empower neighbourhood residents, place makers and others to lead and implement public projects. This Participatory Budgeting pilot builds on increased public participation in the City's budget process over the past two years.

Sixty thousand dollars of the within the 2016 Financial Plan has been allocated towards Participatory Budgeting. The Participatory Budgeting process is intended to engage citizens in decision-making, and to empower consensus-building and deliver community benefit through investment. \$10,000 have been dedicated to promotion, community outreach, and capacity building, with the remaining \$50,000 available for the community to decide how to best invest in Victoria.

Victoria's process is being supported by the Participatory Budgeting Project, a non-profit agency based out of New York City that grew out of a 2005 social forum in Porte Alegre, Brazil, which has since helped participatory processes across Canada and the US.

The Steering Committee invites proposals from residents of the Capital Regional District (CRD) for infrastructure, programs, services or events that improve the City of Victoria. Project proposals will be voted on by the public to determine the allocation of funds.



About the PB Steering Committee

PB is a process designed by and for community members. A Victoria PB Citizen Steering Committee was formed in May 2017 following a call by the City of Victoria for volunteers. The Steering Committee aims to be representative of City of Victoria residents and has designed the PB Victoria process, including project eligibility criteria, voting, and community outreach. City of Victoria staff support the PB Victoria process, but do not play a role in the deliberation or decision, nor do elected officials.

Goals and Principles

Goals

The PB Victoria Steering Committee is committed to the following goals:

- **Increase civic engagement**
Engage more people in politics and the community. Specific communities targeted include young people, visible minorities, immigrants, low-income people, the formerly incarcerated, and other marginalized groups.

- **Showcase City decision-making processes**
Allow residents a greater role in and understanding of municipal spending decisions, and inspire increased transparency in Victoria's government.
- **Build community relationships and support diverse communities**
Inspire people to more deeply engage in their communities, and to create new networks, organizations and community economic opportunities.
- **Encourage inclusive participation**
Run a fair and just PB process, encouraging the participation of all community members. A focus on equitable participation, by working hard to engage the most marginalized populations, will lead to a more diverse and representative process.

Principles

The PB Victoria Steering Committee is committed to the following principles:

- **Openness and transparency**
Share information and make decisions as openly as possible.
- **Simplicity and efficiency**
Keep the PB process straightforward and efficient so it is easy for community members to participate.
- **Inclusivity**
Include the entire community - especially those who are often excluded from the political process, who face obstacles to participating, or who may feel disillusioned with politics.
- **Participatory democracy**
Bring people together across traditional lines of division, to work together for the good of the whole community.

Program Details

Greater Victoria residents and local community groups are encouraged to sponsor and put forward creative proposals for the PB Victoria process. The PB process aims to support projects and/or events that benefit and can be enjoyed by the community.

Project proposals can be submitted by residents of all 13 municipalities within the CRD for projects to be implemented in the City of Victoria. After administering the PB public engagement and voting process, the inaugural PB Steering Committee will award \$50,000 to implement the successful local community initiatives, as voted by the public.

Criteria for projects or investments identified within the PB Victoria process have been set by the PB Steering Committee:

- Projects must be within the City of Victoria
- Construction or commencement of the participatory project(s) must occur within 12 months of the funding decision
- Projects can be put forward by individuals, groups, or non-profits organizations.
- Private businesses cannot put forward a project, but can sponsor one by providing additional funds
- Projects cannot cancel or delay projects already planned or underway by the City of Victoria or other community groups
- Projects must adhere to City bylaws, rules and regulations

Project Proposals

Community members will submit an initial Project Proposal for review by the Steering Committee. The deadline for proposals is September 28th. If the proposed project meets the PB Victoria criteria, the community member can be asked to complete a detailed project proposal (budget, implementation details, and impact) to share with the community during the Community Voting process. The Steering Committee will be available to assist community members in developing both proposals. Project proposals may include budgets for up to \$50,000 in PB Victoria funding.

Public Showcase

Proposals will be showcased to the public through online platforms as well as community information sessions (or 'project expos'). Community members will be encouraged feel empowered in their role in the PB process while learning of the different projects their neighbours have put forward

Community Vote

Community members will be provided an opportunity to vote on their preferred project(s).

Roles and Responsibilities

- **Steering Committee - volunteer representatives overseeing process**
 - Design and guide PB process and draft the PB Victoria Rulebook
 - Attend PB events and meetings to publicize and introduce community groups to the PB process
 - Provide support for the PB process, including research, organization, media, online engagement, social media, policy & budgeting, data visualization, and design
 - Promote the PB process through the press, social media, and other networks, using protocol agreed upon by the Steering Committee
 - Mobilize broad, inclusive, and proportional community participation
 - Evaluate and revise the rules of the PB process
- **Support Committees**

- Support the Steering Committee in select phases of the PB process such as community outreach, events, and evaluation
- **Project Proponents - community members with ideas to submit**
 - Prepare a proposal overview
 - Prepare a detailed project proposal and budget
 - Commit to staying involved if necessary during the implementation of the project and participate in reporting requirements
 - Maintain ongoing communication with Steering Committee members
- **Voting Public - community members voting on proposals**
 - Become informed about potential projects through the website, social media, and project expo
 - Vote on preferred projects through a voting process set out by the Steering Committee
- **City Staff**
 - Provide support to the Steering Committee and ensure alignment with City policies and practices in relation to use of technology, freedom of information, communications, protocol, etc.
 - Review project proposals for feasibility and compliance with City bylaws, rules, and regulations.
 - Distribute funds to the Steering Committee to support the PB process
 - Monitor Steering Committee meeting minutes and communications to ensure the Committee contributes and answers questions as needed
 - Accept final report from Steering Committee
 - Provide updates to Mayor and Council at key milestones throughout the project
 - Distribute funds to successful projects for implementation
 - Provide communications support including templates, City of Victoria website updates, and assistance with other City communication tools i.e. neighbourhood hot sheets, media releases, online events calendar
- **City Council**
 - Receive updates from City Staff on the progress of the Participatory Budgeting process

PB Victoria Timeline 2017

Date	Activities
May 18 - July 28	Steering Committee Design Process <ul style="list-style-type: none"> • Develop Rulebook and project proposal guidelines • Outreach plan and materials developed
August 11th	Call for Project Proposals <ul style="list-style-type: none"> • Share resources and proposal form with community organizations • Advertise project through City of Victoria website and social media
August 11 – October 7	Community Outreach and Engagement <ul style="list-style-type: none"> • Outreach (posters, media release, letters, social media, etc. calling for project proposals) • Community info sessions and presentations • Steering Committee works with individuals and organizations to research and develop proposals (with subject matter experts, where necessary)
October 7	Deadline for Project Proposals <ul style="list-style-type: none"> • Saturday, October 7th at midnight • Submitted online via pbvictoria@victoria.ca
October 7 - November 20	Proposal Overview Review <ul style="list-style-type: none"> • Steering Committee reviews short project proposals against criteria and eligibility • City staff to review all proposals to ensure feasibility • Steering Committee identifies project proposals to put forward to Community Voting, notify applicants • Work with Project Proponents to finalize budget and project information • Identify subject matter experts, if necessary, to help project proponents with proposal and implementation of project

	<ul style="list-style-type: none"> Assist project proponents to develop Community Voting project information
November 20-December 3	Detailed Project Proposal Development <ul style="list-style-type: none"> Steering Committee works with Project Proponents to develop detailed Community Voting project information Connect Project Proponents with subject matter experts, if necessary, to help with implementation of project Finalize Project Proposal information
December 3	Deadline for Detailed Project Proposals <ul style="list-style-type: none"> Final project proposals submitted to Steering Committee with information for Community Voting
Mid-December	Project Proposals Announced & Voting Opens <ul style="list-style-type: none"> Detailed project proposals information reviewed and then posted online and announced to community Community outreach and engagement around proposals and voting process Online voting opens Dec 13th In person voting at City Hall- Douglas Street entrance Community outreach and engagement around proposals and voting Voting ends mid-to-late January
January	Winner Announced <ul style="list-style-type: none"> Review of final votes and successful proposals Notify successful proposal proponents of reward Proponents must complete implementation within 12 months
January-February	Evaluation and Reporting <ul style="list-style-type: none"> Review of PB Victoria process Updates to Rulebook Report to City Council

Community Voting

The Community Voting process aims to increase civic engagement and showcase City decision making through a process that is open, transparent, simple, efficient, and inclusive.

PB Victoria will include both online and in-person voting. SurveyMonkey will be used for the online vote and paper ballots can be cast via a voting station that will be located at City Hall from mid December to January 20th. Participatory Budgeting Steering Committee members will also be holding several pop-up poll stations throughout the community where voters will be able to cast paper ballots (watch our Facebook page for more details). Paper ballots will be entered into the online system by Participatory Budgeting Steering Committee members.

The Participatory Budgeting Steering Committee opted to include both online and paper voting in order to make the process as accessible as possible to all members of the community. Voting is open to all CRD residents.

Evaluation Process

The PB Steering Committee will evaluate the PB Victoria process during all stages, in addition to a final evaluation process. This will be compiled into a Lessons Learned document.

For the 2017 PB Victoria process, the Steering Committee will:

- Document outreach activities and manage contact information for community contacts and stakeholders
- Track and respond to questions and feedback about the PB Victoria process
- Ask for feedback from the public on the PB Victoria process at key points - Call for Project Proposals and Community Voting
- Track and record the number of inquiries about Project Proposals and the number of Project Proposals received
- Ask all Project Proponents participating in Community Voting for feedback on the process

The Steering Committee will refer to existing evaluation tools used in PB processes internationally¹.

¹ <https://www.publicagenda.org/pages/research-and-evaluation-of-participatory-budgeting-in-the-us-and-canada>
<https://www.participatorybudgeting.org/>

2017 PB Victoria Steering Committee

- Alfred Black
- Jennifer Murdoch
- Julien Braun-McLeod
- Kelly Lynn Kurta
- Kelsey Singbeil
- Matthew Yee
- Mark Perry
- Meagan Greentree
- Don Monsour

