

**MINUTES OF THE
FINANCE, AUDIT AND PERSONNEL STANDING COMMITTEE MEETING
COMMITTEE ROOM 2, 760 VERNON AVENUE
FRIDAY, SEPTEMBER 9, 2016 at 9:10 am**

Present: Chair: Mayor Richard Atwell
Members: Councillors Fred Haynes, Colin Plant, and Vicki Sanders
Staff Members: Paul Thorkelsson, Chief Administrative Officer; Valla Tinney, Director of Finance; Harley Machielse, Director of Engineering; Jennifer Downie, Administrative Assistant

MINUTES FOR ADOPTION – May 12, 2016

MOVED by Councillor Plant and seconded by Councillor Haynes: “That the minutes of the Finance, Audit and Personnel Standing Committee meeting of May 12, 2016 be approved.”

Carried

PERMISSIVE TAX EXEMPTIONS

The Director of Finance reviewed and answered questions from members on the Permissive Tax Exemptions Requests report dated September 1, 2016 which provided information on applications received for permissive tax exemption commencing in 2017. Permissive Tax Exemption Review briefing note dated September 8, 2016 was provided to the Committee at this time.

The following exemptions were presented for consideration:

1. Victoria United Chapter Society
2. The Catholic Diocese of Victoria, Corporation Sole (the Diocese)
3. Habitat for Humanity
4. Power to Be Adventure Therapy Society (Power to Be)

MOVED by Councillor Plant and seconded by Councillor Haynes: “That the Finance, Audit and Personnel Standing Committee recommend to Council permissive property tax exemptions for The Catholic Diocese of Victoria, Corporation Sole (the Diocese), Habitat for Humanity and Power to Be Adventure Therapy Society (Power to Be) and to recommend to Council the new permissive tax exemptions to commence in 2017 as outlined in the “Permissive Tax Exemption Requests” report dated September 1, 2016 of the Director of Finance”

Carried

MOVED by Councillor Plant and seconded by Councillor Haynes: “That the Finance, Audit and Personnel Standing Committee endorse granting a permissive tax exemption for Itziar Management (Nominee) Ltd. (leased to the District of Saanich and occupied by the Saanich Police Department), 57 Cadillac Avenue to December 31, 2023 (seven years) and direct staff to conduct the statutory notification.”

Carried

CASH MANAGEMENT AGREEMENT WITH HSBC

The Director of Finance reviewed and answered questions from members on the Cash Management Agreement with HSBC report dated August 16, 2016 which provided information on the District's Cash Management Agreement with HSBC.

HSBC Canada has been the Municipality's banker for two 5 year terms since January 1, 2007.

MOVED by Councillor Plant and seconded by Councillor Sanders: "That the Finance, Audit and Personnel Standing Committee receive the Cash Management Agreement with HSBC report dated August 16, 2016 for information."

Carried

CAPITAL BUDGET DEVELOPMENT, PERFORMANCE REPORTING AND PROCUREMENT

The Director of Finance presented the Capital Budget Development, Performance Reporting and Procurement report dated August 27, 2016.

The Director of Finance discussed the Capital Program with respect to challenges with budget development, performance reporting and procurement processes.

The Committee discussed procurement processes and the proposed new structure. Currently Council approves purchases over \$200,000; it was noted that this mechanism informs Council of any large purchases/projects. Committee members discussed whether or not this process slowed down the RFP process due to staff having to compile reports for Council.

Committee members questioned the length of time required for RFP's. The Director of Finance noted that some RFP processes take longer as some are more detailed and unique and do not fit into a template. Generally RFP's for new services will take longer as the scope and specifications of the project will need to be researched.

Councillor Haynes noted that staff reports to Council seeking approval for purchases over \$200,000 have never been rejected and supports making changes to the RFP process in an effort to improve efficiency.

MOVED by Councillor Haynes and seconded by Councillor Plant: "That the Finance, Audit and Personnel Standing Committee direct staff to develop recommendations for a new capital budget format, improved performance reporting, and updated bylaws, policies, and procedures."

Carried

HORTICULTURAL CENTRE OF THE PACIFIC SOCIETY – NOTIFICATION OF NON-PAYMENT

The Director of Finance presented the Horticultural Centre of the Pacific Society – Notification of Non-Payment report dated August 11, 2016. The purpose of the report is to notify the Committee of a notification of non-payment of an interest free loan and present options for consideration.

The Committee discussed the challenges currently faced by the Horticultural Centre of the Pacific Society including staffing challenges, and decline in program offerings and rentals.

In March 2015, Council approved payments of \$24,000 per year for 10 years commencing 2015. The first payment was made in June 2015; another payment of \$24,000 was due on June 20, 2016.

Mayor Atwell noted that when this comes back, Council will need to look at the original business plan that was presented and any new business plan coming forward will need to be approved by a qualified professional who has an understanding of the financial and market realities of what the Horticultural Centre of the Pacific Society is trying to achieve.

Mayor Atwell noted that someone needs to help authorize the business plan as this would be the minimum requirement at this stage in order to give Council the tool if needs to decide if this can continue.

MOVED by Councillor Sanders and seconded by Councillor Haynes: “That the Finance, Audit and Personnel Standing Committee:

- 1) Accept the non-payment for 2016; and**
- 2) Request that the HCP provide more detailed information, assurances regarding their ability to meet their obligations to VanCity and present a plan for resuming loan payments to Saanich.**

Carried

2016 Q2 PERFORMANCE REPORT

The Director of Finance presented the 2016 Q2 Performance Report and answered questions from Committee members.

MOVED by Councillor Haynes and seconded by Councillor Sanders: “That the Finance, Audit and Personnel Standing Committee receive the 2016 Q2 Performance Report for information.”

MEETING DATES

Council Plant advised the Committee that he is not available to meet at the regularly scheduled time of 3:30, first Thursday of each month.

His new schedule would allow him to meet after 3:00 pm on Wednesdays and Fridays; or after 4:00 pm on Mondays.

ADJOURNMENT

The meeting adjourned at 10:05 am

Chair

I hereby certify these Minutes are accurate.

Committee Secretary