

**MINUTES OF THE  
FINANCE STANDING COMMITTEE MEETING  
COMMITTEE ROOM 2,  
SAANICH MUNICIPAL HALL, 760 VERNON AVENUE  
MONDAY, FEBRUARY 27, 2017 at 9:35 am**

**Present:** Chair: Councillor Vicki Sanders  
Members: Councillors Brice and Wergeland, and Mayor Atwell, Ex-Officio.  
Staff Members: Paul Thorkelsson, Chief Administrative Officer; Valla Tinney, Director of Finance; Jennifer Downie, Administrative Assistant  
Regrets: Councillor Derman  
Guests: Laura Ciarniello, Director of Corporate Services; and Suzanne Samborski, Director of Parks and Recreation

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**CONFIRMATION OF MEETING SCHEDULE**

Committee members agreed to meet the second Monday of each month at 9:00 am, four times per year.

**TERMS OF REFERENCE**

The Mayor presented the Terms of Reference (TOR) for the Finance Standing Committee.

In response to the Mayor, the Director of Finance provided information on permissive tax exemptions and reporting procedures and process. It was noted that Council has the authority to give organizations exemptions as per Council's Permissive Tax Exemption Policy established under Financial Plan Bylaw No. 9377. Generally, Council and Committee have not taken presentations from organizations requesting permissive tax exemptions.

The Director of Finance will report back to the Committee on what the foregone taxes are for the exemptions once all the information is compiled. The Director of Finance also noted that permissive tax exemptions are reported out in the Statement of Financial Information (SOFI) report published in June.

The CAO advised that if it is the work of the Committee to look at the policies; including "Review and make recommendations to Council: Permissive Tax Exemption Policy" would be a valid part of the mandate.

The Mayor requested that permissive tax exemption policy form part of the mandate.

Under the Reports section of the TOR, the Mayor requested to "Receive summary of contracts less than \$200,000 quarterly" rather than annually as it would provide more value and exposure to Council.

In response to the Mayor, the CAO confirmed that generating this report on a quarterly basis would increase workload for staff. If the listing is to include the individual amounts for each contract, this would take time to produce as this is something that has not been done previously. Bi-annual reports are currently being provided to Council identifying the total value.

Committee members discussed whether receiving this report more frequently added any value and questioned whether there was a higher need to receiving the information more frequently.

The Director of Finance advised that the SOFI report, produced annually, provides a list of all the suppliers that Saanich has paid \$25,000 or more to in the previous year. This information is provided annually as a statutory process.

The Director of Finance advised that the list can be provided twice a year outlining the amount paid to each supplier; not how much was paid to each project.

The Mayor noted that summary information was all that was required as it would provide a snapshot of what was going on.

Committee members agreed that from a due diligence point of view, it was important to receive this information annually as it outlines the contracts that the Municipality is getting engaged with. However, did not feel they needed it quarterly.

The Mayor is interested in seeing these reports more frequently and advised that the reports provide information on what is being paid out, revenues, and trends. The reports provide value as they keep everyone informed. The Mayor noted that the “Reports” section is not under the “Mandate.”

The CAO sought clarification on the following:

1. The expectations of the Committee;
2. Grants policy and budget item as noted in the TOR under mandate; sought clarify as to whether the Committee would be receiving all the presentations of the grant applicants and take the role of evaluating grants or is it more about the policy review.
3. Recreation rates including Cedar Hill Golf Course as noted in the TOR under mandate; sought clarity on the process as this currently goes to the Parks, Trails and Recreation Advisory Committee (PTR) for review as part of their process prior to making recommendations to Council.

Councillor Brice advised that Parks staff determine some parameters around recreation rates; from there they would recommend to PTR and PTR would report to Council. It is a significant piece of work of the PTR Committee; if the responsibility was taken away from PTR committee members, valuable input would be lost.

In response to Councillor Brice, the Mayor advised that PTR will no longer have the responsibility of reviewing recreation rates. Parks will report directly to the Finance Committee on recreation rates; similar to how Parks has delivered reports to the Finance, Audit and Personnel Standing Committee (FAP) on the golf course. Recreation rates are a substantial revenue source and should be presented to the Finance Committee.

The CAO advised that this is a change in expectations and practice and provided caution about the possibility of duplicating efforts as there is a large amount of work involved in having those discussions. If the work is being done by two committees, it is not an efficient use of resources.

The Mayor advised that it would be more valuable to have things consolidated here through a finance lens and would like to have a strong awareness of what the dollars are the municipality has to deal with.

The Chair voiced concerns about the PTR Committee as the citizens are the people who represent the users and can't say that the Finance Committee members do; this is the value of citizen advisory committees. The Chair noted that the PTR Committee could make a presentation to the Finance Committee when they have made their decision but it should not be the Finance Committee doing the work.

The Mayor requested the item stay on the TOR for the Finance Committee; but asked that the item be placed on the next PTR agenda where the Mayor will sit and have a discussion with the members and talk about the change and see what comes out of the conversation.

The CAO suggested that rather than meeting quarterly that the Finance Committee meet four times a year to give it flexibility as some items fall outside of the regimented quarterly meeting schedule.

The CAO advised that the Citizen and Business Surveys are not a finance function; they fall under Legislative Services. The Finance Committee would have to draw from other departments if this formed part of the TOR.

The CAO noted that in terms of “Review and make recommendations to Council: Information Technology

service contracts”; potential significant delays or challenges could be caused if the review time was increased.

The CAO noted that service contracts that are below the signing authority should not be brought to this Committee for review and recommendation to. The Director Finance advised that information technology service contracts are part of a purchasing process.

The Mayor would like to remove the Information and Technology service contracts from the mandate as this item falls under the realm of receiving reports; summary of contracts less than \$200,000.

The Mayor provided a recap of the changes to the TOR. The changes that the CAO has added will go forward with the following exceptions:

1. Under mandate: return Permissive tax exemption policy;
2. Under reports: receive summary of contracts less than \$200,000 will be done quarterly;
3. Under mandate: strike out information technology service contracts.

These would be some of the changes of this TOR. The Mayor will get involved with PTR and come back to the committee with his opinion.

In response to Councillors Brice and Sanders, the Mayor advised that the wording for the membership will stay the same; Section 141 will remain noted in the membership section. The Mayor promised that no members of the public will be made part of this Committee. The current membership will stay intact for the remainder of the term with no additions.

In response to questions from the Director of Finance, the Mayor advised that the yearly audit report presentation will now be presented to Council rather than the Finance Committee. The presentation would be valuable to all of Council as they would all have the opportunity to ask questions.

The CAO advised that the Director of Finance provided quarterly reporting to the FAP. The Director of Finance added that this was an opportunity for Committee members to review capital projects. The FAP committee provided the recommendation that Engineering and Finance move forward to create some better reporting back to the Committee as it could be more robust. The Director of Finance would like the flexibility to continue producing reports to the Finance Committee.

The Mayor requested that the CAO provide wording in the TOR to capture reporting on capital projects; generic catchall phrase would be sufficient.

In response to Councillor Wergeland, the Mayor advised that grant applications should be reviewed by Council as it is a Council responsibility.

## **ADJOURNMENT**

On the motion from Councillor Brice the meeting adjourned at 10:35 am

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Chair

I hereby certify these Minutes are accurate.

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Committee Secretary