

**MINUTES OF THE  
FINANCE STANDING COMMITTEE MEETING  
COMMITTEE ROOM 2  
SAANICH MUNICIPAL HALL, 760 VERNON AVENUE  
MONDAY, NOVEMBER 6, 2017 at 10:17 am**

Present: Chair: Councillor Vicki Sanders  
Members: Councillors Brice, Wergeland and Harper  
Regrets: Mayor Atwell, Ex-Officio  
Staff Members: Paul Thorkelsson, Chief Administrative Officer; Valla Tinney, Director of Finance; Jennifer Downie, Administrative Assistant.  
Guests: Peter Urbanc, CAO, MFABC; Troy Ziegler, Manager of Accounting Services; Paul Arslan, Senior Manager, Financial Services; one member from the public.

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**MINUTES FOR ADOPTION – OCTOBER 16, 2017**

**MOVED by Councillor Brice and seconded by Councillor Wergeland: “That the minutes of the Finance Standing Committee meeting of October 16, 2017 be approved.”**

**Carried**

**PRESENTATION: SOCIALLY RESPONSIBLE INVESTING**

Valla introduced Mr. Peter Urbanc, Chief Administrative Officer, MFABC.

The Director of Finance noted that the “Investment Policy” was brought to the October 16, 2017 Finance Standing Committee meeting. The covering report made reference that the policy did not incorporate Socially Responsible Investing. As the Committee requested more information, Mr. Urbanc was asked to attend and provide background information on Socially Responsible Investing and to help the Committee decide if it is something that should be incorporated into Saanich’s policy.

Mr. Urbanc, provided a PowerPoint presentation to the Committee on MFA Pooled Funds, Socially Responsible Investing. (PPT notes are attached for reference).

Key highlights include:

- Socially responsible investing (SRI) is any investment strategy which seeks to consider both financial return and social good to bring about a social change. These are investment portfolios with a socially responsible lens in addition to the financial lens. Financial lens would be to look at a portfolio and maximize returns for a given level of risk.
- MFA pooled funds are those funds that municipalities can invest in with MFA.
- With SRI funds, the owners of the assets have to apply an extra screen on the investments; i.e. provide instruction to not invest in weapons, tobacco, alcohol, etc. Once the screen is developed, the manager of the assets (in this case, MFA) is notified of what types of companies to include or exclude in the investment process.

- Environmental, social, and governance factors (ESG) – Mr. Urbanc noted that asset managers should be employing ESG. Asset managers should be looking at environmental, social, and governance type issues independently of what the asset owners think and look at how those issues would impact the returns on investments.
- Fossil fuel free investing is when the entire fossil fuels sector is excluded. This is a narrower view of SRI.
- Fiduciary obligations exist to ensure that those who manage other people's money act responsibly in the interest of their clients, rather than their own interests.
- Mr. Urbanc cautioned against defining language in a policy as this is still evolving.
- It was noted that municipalities can only invest in corporate bonds through MFA as per legislation. Municipalities on their own can invest in banks, bank deposits, MFA pooled funds, Government of Canada and provincial bonds.

## **PROPOSED INVESTMENT POLICY**

The Director of Finance presented the "Proposed Investment Policy" dated October 6, 2017.

Councillor Brice would like to refer the report back to staff and have staff review what other municipalities are doing.

**Moved by Councillor Brice and seconded by Councillor Wergeland; "That the Finance Standing Committee refer the policy back to staff to reflect on and come back with a report on whether or not there was anything from the presentation that should be incorporated into the policy.**

**Carried.**

In response to Councillor Wergeland, the Director of Finance noted that it would not be difficult to review, however, in researching and putting together this policy, no other municipalities had language pertaining to SRI's with the exception of the CRD. The Director of Finance noted that reviewing and incorporating language into the policy could cause a delay in the rollout.

## **COMMUNITY GRANT POLICY AMENDMENTS**

The Director of Finance reported that at the last meeting (October 16, 2017) the Committee reviewed the Community Grant Policy. The Committee made some recommendations at that time to bring the policy back for review noting that some items may require a bit longer term for staff to work on as research and consultation may be required.

The Director of Finance presented the "Community Grant Policy Amendments" report dated October 30, 2017. Two changes that were supported by the Committee as noted in the October 16, 2017 meeting minutes are being forwarded now so that applicants can be advised in a timely fashion.

The Committee agreed that the reference to eliminating sustainability grants should be accompanied by a note that the funds will still be directed to sustainability projects but at the discretion of staff. The Director of Finance confirmed that this would be included in the covering report to Council.

**MOVED by Councillor Brice and seconded by Councillor Wergeland: “That the Finance Standing Committee recommend that Council approve the following amendments to the Community Grant Policy:**

- 1. Delegation of approval for Dry Grad Grants to the Director of Finance**
- 2. Removal of the Sustainability Grant Program;**

**as outlined in the in the ‘Community Grant Policy Amendments’ report dated October 30, 2017 of the Director of Finance.”**

#### **THE DISTRICT OF SAANICH – Q3 2017 SUMMARY OF CONTRACTS**

The Director of Finance presented “The District of Saanich, Q3 2017 Summary of Contracts” report to the Committee. Contracts noted on the report are those with a value (or expected value for “as and when requested” long term blanket orders) between \$75,000 and \$200,000 (excluding GST).

**MOVED by Councillor Brice and seconded by Councillor Harper: “That the Finance Standing Committee receive the ‘The District of Saanich – Q3 2017 Summary of Contracts’ report for information.”**

**Carried**

#### **ADJOURNMENT**

On the motion from Council Sanders the meeting adjourned at 11:15 am.

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Chair

I hereby certify these Minutes are accurate.

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Committee Secretary