

MINUTES
FINANCE AND GOVERNANCE STANDING COMMITTEE

Held at Saanich Municipal Hall, Committee Room # 2
770 Vernon Avenue

October 30, 2023, at 10:16 a.m.

Present: Councillor Susan Brice (Chair), Councillor Teale Phelps Bondaroff Councillor Karen Harper, Mayor Dean Murdock

Staff: Brent Reems, Chief Administrative Officer (10:22 a.m.); Paul Arslan, Director of Finance; Jennifer Lockhart, Senior Manager of Financial Services; Karen Coates, Manager of Accounting Services; and Tara Judge, Executive Assistant to the CAO

Regrets: Councillor Nathalie Chambers

TERRITORIAL ACKNOWLEDGEMENT & DIVERSITY, EQUITY AND INCLUSION STATEMENT

Councillor Karen Harper read the Territorial Acknowledgement and the Diversity, Equity and Inclusion Statement.

MINUTES FOR ADOPTION

MOVED by Councillor Karen Harper and Seconded by Councillor Teale Phelps Bondaroff: “That the minutes of the Finance and Governance Standing Committee meeting of July 31, 2023, be adopted as circulated.”

CARRIED

2nd TRIMESTER RESULTS REPORTS (JANUARY 1 TO AUGUST 31, 2023)

A report from Paul Arslan, Director of Finance, with the 2nd Trimester Results for 2023 was reviewed (January 1 to August 31, 2023). Business license and inspection revenues are doing well – close to the annual budget has been received and expected to exceed estimated target. Recreation revenue is also doing well with increase of people at recreation centres. Interest revenue is doing very well due to higher rates.

Our expenditures are in line or lower than what is expected at this time of the year. Variance notes identified in the report. Due to staff vacancies some sections under spent. Anticipating 2023 surplus to be similar to last year ~ \$3 to \$4M.

MOVED by Councillor Karen Harper and Seconded by Councillor Teale Phelps Bondaroff: “That the Finance and Governance Standing Committee receive the 2nd Trimester Report from the Director of Finance for information.”

CARRIED

2024 UTILITY BUDGET & RATE INCREASES

The 2024 Utility Budget & Rate Increases report from the Director of Finance dated October 20, 2023, was reviewed. Work on utility budgets starts in the fall as we receive information from the CRD, consumption information from our system and budget needs from operations and engineering. We put those together and come to Council with a report at the end of November/early December. Council does have assurance that we are following budget guidelines approved earlier in the year.

Did want to identify an approach we are taking with the utilities, specifically asset replacement and debt servicing. Staff is considering adding some funding amounts for both asset replacement and debt servicing to the 2024 utility budgets. To delay these increases by another year would mean higher increases in the future.

MOVED by Councillor Teale Phelps Bondaroff and Seconded by Councillor Karen Harper: "That the Finance and Governance Standing Committee receive the 2024 Utility Budget & Rate Increases report from the Director of Finance for information."

CARRIED

COUNCIL TAX POLICY

A Council Tax Policy report from Paul Arslan, Director of Finance dated March 10, 2023, was reviewed. and referred to both the Finance & Governance Standing Committee and Economic Development Advisory Committee following a Notice of Motion from Councillor de Vries put to and carried by Council March 10, 2023.

Jennifer Lockhart, Senior Manager of Financial Services presented information on the District of Saanich taxation process. Slides within the presentation were updated with data from the 2023 tax roll that were not available at the time of the original report which may show variances in information.

Tax Policy: Staff compiled tax policy options for consideration and reviewed the differences in the options of 1) maintaining the existing policy; 2) reducing business proportion of tax share by 0.5% annually for six years; 3) gradually reducing the tax share paid by business from its current level to 20% over twelve years; and 4) alternate direction to staff.

Non-market Change: Non-market change assessment information provided to municipalities by BC Assessment and is often referred to as new assessment (typically related to new construction development). Other items included in non-market change are assessment changes relating to: municipal boundary extension; property class changes; exemption status changes; and, zoning changes. It is possible for non-market changes to be both positive and negative in nature. Historically non-market change assessment has been applied by the District to offset property tax increases.

Employer Health Tax: This was a downloaded cost to the province similar to school taxes. Given the decline in the EHT annual impact on property tax increases and in order to simplify the tax calculation process and create the needed space on the property tax notice for future parcel taxes, staff are recommending the EHT no longer be shown individually on the tax notices and instead be a factor in the calculation of annual tax increases.

Discussed the policy shift in terms of focus on residential building policy and Ministerial housing order and if any calculation on what to expect in terms of a tax shift. Acknowledged that any change cannot be estimated, and if any additional costs/resource requests required to meet the order, these would be subject to Council approval. Understanding that a larger tax base due to greater number of taxable properties can reduce increase in tax lifts needed.

MOVED by Councillor Teale Phelps Bondaroff and Seconded by Chair Councillor Susan Brice: “That the Finance and Governance Standing Committee recommend Council maintain the existing policy related to the distribution of taxation between Class 1 and Class 6 business properties to ensure tax stability.”

CARRIED

MOVED by Councillor Karen Harper and Seconded by Councillor Teale Phelps Bondaroff: “That the Finance and Governance Standing Committee recommend Council add to the tax policy the allocation of non-market change revenue first to fund additional development-related staff and costs starting which will be used to support further growth and new construction in the District, with any remaining funds applied to reduce property taxes across all classes.”

CARRIED

MOVED by Councillor Karen Harper and Seconded by Councillor Teale Phelps Bondaroff: “That the Finance and Governance Standing Committee recommend Council approve the removal of the Employer Health line item on the tax notice and ask staff to factor the amount in with the Municipal General tax rate.”

CARRIED

MOVED by Councillor Teale Phelps Bondaroff and Seconded by Councillor Karen Harper: “That the Finance and Governance Standing Committee extend the meeting past the scheduled 11:30 a.m. end time.”

CARRIED

COUNCIL CODE OF CONDUCT POLICY

A Council Code of Conduct Policy report from Brent Reems, Chief Administrative Officer dated October 18, 2023, was reviewed.

Saanich has had the benefit of having a policy in place for the past seven years with reviews and updates as approved. Two recommendations at this time: 1) Update the complaints driven portion to provide the ability for external assistance during any informal resolution process; and, 2) streamline the process to obtain external assistance during any formal complaint process. The goal is to maintain good relations between Mayor, Council and the CAO by having an external body support the code of conduct and provide impartial support. Such external assistance would be on an ad hoc basis, be it a single person, or a designated person such as an ethics commissioner, with billing only when support is provided.

There is no known comparative data available identifying if a policy or bylaw is more effective. The UBCM Working Group on Responsible Conduct does not make a recommendation on policy versus bylaw.

MOVED by Councillor Karen Harper and Seconded by Councillor Teale Phelps Bondaroff: “That the Finance and Governance Standing Committee recommend Council direct staff to report back with amendments to the Code of Conduct Policy updating the complaints handling process to provide for the ability to obtain external assistance during the information resolution process and the process for retaining external assistance in the formal complaint process.”

CARRIED

MOVED by Councillor Karen Harper and Seconded by Councillor Teale Phelps Bondaroff: “That the Finance and Governance Standing Committee recommend Council direct staff to explore options for a process for public disclosure with a summary of any code of conduct investigations.”

CARRIED

MOVED by Councillor Teale Phelps Bondaroff and Seconded by Councillor Karen Parker “That the Finance and Governance Standing Committee recommend Council maintain the Code of Conduct as a policy.

CARRIED

SCHEDULE OF 2024 MEETINGS / NEXT MEETING

Staff to review 2023 schedule and provide a set of similar dates recommended for the series of 2024 meetings.

ADJOURNMENT

The meeting adjourned at 11:54 a.m.

Councillor Susan Brice, Chair

I hereby certify these minutes are accurate.

Tara Judge, Executive Assistant to the CAO