

**MINUTES OF THE
FINANCE AND GOVERNANCE STANDING COMMITTEE
COUNCIL CHAMBERS
SAANICH MUNICIPAL HALL, 770 VERNON AVENUE
MONDAY, OCTOBER 19, 2020 at 10:00 AM**

Present: Chair: Councillor Susan Brice
Members: Mayor Haynes, Councillors Harper and Mersereau
Staff Members: Paul Thorkelsson, Chief Administrative Officer; Valla Tinney, Director of Finance; Paul Arslan, Senior Manager, Financial Services; Karen Coates Manager of Accounting Services; Jennifer Downie, Administrative Assistant.

MEETING BY ELECTRONIC PARTICIPATION

Due to COVID-19 measures, the Saanich Municipal Hall is currently closed to the public.

Registration deadline to gain access to listen to the proceedings by teleconference was 12:00 p.m. (noon), Friday, October 16, 2020.

There was no public interest expressed by the deadline.

MINUTES FOR ADOPTION

MOVED by Councillor Harper and seconded by Mayor Haynes: “That the minutes of the Finance and Governance Standing Committee meeting of July 20, 2020 be adopted as circulated.”

CARRIED

PRESENTATION FROM MUNICIPAL FINANCE AUTHORITY OF BC (MFA) ON INVESTING

The Chair introduced Peter Urbanc, Chief Administrative Officer from the Municipal Finance Authority of BC. Mr. Urbanc provided a PowerPoint presentation to the Committee on Socially Responsible and Fossil Fuel Free Investing. (PPT notes are attached for reference).

Key highlights include:

- Socially responsible investing (SRI) and Fossil Fuel Free Pooled Funds via MFA.
 - Over the last few years, MFA has been engaged in active dialog with local government investment professionals and councillors on Socially Responsible Investing (SRI) and Fossil Fuel Free (FFF) investing.
 - Several local governments have asked MFA to offer SRI investments and/or divest of fossil fuel related investments.
 - Impact investing typically does not exclude particular investments (or sectors of the economy) but rather requires assessing the SRI footprint of investments and incorporating that assessment into the investment process. Impact investing aim is to change companies' behaviours without significantly decreasing the integrity of the investment process.
 - Fossil fuel free investing involves excluding companies/sectors from one's portfolio with an aim to increase the cost of capital of those companies. While a FFF approach removes investors ability to influence change directly it may create additional costs that are borne by the consumer of those products and therefore may indirectly impact carbon emissions

- Highlighted below are two funds from MFA'S suite of pooled investment products which may be of interest:
 - Short-term bond fund: Designed for Investors with a 2 to 5 year investment horizon as the Fund maintains a longer duration versus the Money Market and Ultra-short Funds. This Fund provides instant diversification through a broad asset mix of high-quality government and corporate securities.
 - Fossil Fuel Free short-term bond fund: This Fund is benchmarked against the same index as the Short-term bond fund, however screens-out companies involved in the extraction, processing and transportation of coal, oil, and natural gas. Designed for Investors with a 2 to 5 year investment horizon. This Fund provides instant diversification through a broad asset mix of high-quality government and corporate securities.
- Environmental, social, and governance factors (ESG): ESG investing entails researching and factoring in environmental, social, and governance issues, in addition to the usual financials, when evaluating potential stocks for a portfolio.
- MFA FFF Short Term Bond Fund Overview
 - As at October 8, 2020 - \$102 million in assets held by 7 local governments
 - Provides a well-diversified active investment solution for clients who choose to hold government and corporate bonds and divest from fossil fuel investments; will exclude companies directly involved in the extracting, processing or transporting coal, oil or natural gas.

The Chair suggested that the next step would be for staff to prepare a report providing options available to the District to the next Finance and Governance meeting for Council consideration.

The Director of Finance noted that a report could be provided to the Committee outlining what the District is currently investing in and the percentage that would be considered fossil free, along with some available options. The Director of Finance requested clear direction from the Committee as to what amendments they would like to see in the investing policy as investments are made based on the policy that Council has established.

MOVED by Mayor Haynes and seconded by Councillor Mersereau: "That the Finance and Governance Standing Committee direct staff to prepare for the next Committee agenda a report outlining what the District is currently investing in; options for moving in this direction; and any amendments to the District's investing policies."

CARRIED

PLANNING REPORT FORMATS

Councillor Mersereau noted that Planning reports are quite lengthy. This makes it hard to figure out what the important details are which makes proper decision making difficult.

Councillor Mersereau provided two areas of concern:

- Parameters for decisions have a lot of limitations on them, i.e.: development permit reports. Councillor Mersereau would like to improvements such as noting the legal parameters for decisions clearly expressed in the reports.
- Applications that go to Public Hearing: There has been a lot of confusion around the appropriate motions that have to go to the floor on. On a few occasions there have been

three conflicting sets of motions; one on Granicus that was different from the report; which was different on written support material provided to Council. Councillor Mersereau would like this particular issue addressed as it would allow Council members more confidence when putting a motion on the floor.

- In summary, Councillor Mersereau would like the Planning Department to be made aware of concerns about the length of the reports in hopes that there may be a way to move towards having them more concise to support decision making and suggested that using a standard template may be helpful.

The Chair noted that the Committee wants to ensure that overarching material is provided and packaged in a way that allows the decision makers an opportunity to make the best decisions.

The CAO advised that the challenge is trying to find the balance of detailed information that is provided for the community as well as Council. The reports follow a typical template that is used in many municipalities. The CAO acknowledged that there is a lot of information in the reports. The CAO will have discussions with Planning staff about the level of detail to make sure it is germane and that the information is pertinent and useful for both the decision making process and the community's awareness and understanding. The CAO noted that it is important that Council understand and that these reports are not just for Council and their decision making process.

In response to the second issue raised, the CAO noted that Council has struggled with understanding the delineation between different kinds of development approvals, particularly with respect to rezoning approvals versus development permit approvals as they are quite often mixed together and understanding the difference between something that has to go to public hearing and something that does not and the processes inherent with each.

To make matters more challenging, at Council's direction, the process changed so that rezoning applications, whether they had development permits attached to them or not are no longer being brought to Committee of the Whole (CoW). This was to remove the District from a process that had some very significant legislative risk to the organization, applicants, and potentially to the community. In turn, those reports go directly to Council in an attempt to focus the discussion on the matter at hand as to whether or not an application should go to public hearing or not. It is now evident that the structure of the reports and the recommendations have confused that discussion.

The CAO, Director of Planning, and Manager of Legislative Services have been looking at these reports, particularly in relation to rezoning applications and looking to see how changes can be made to help facilitate Council's decision making and bring some more clarity to that process.

In response to the Chair, the CAO confirmed that he is currently working with staff on changes and that it would be apparent when the items appear on future agendas. This is something that has been recognized operationally and the intent is to make some adjustments to support that process.

Councillor Mersereau suggested including documents or progress diagrams outlining "next steps" or "where we are at" in the reports.

The Chair noted that no action is required from the Committee as Staff have responded by indicating that this work is already in hand and will become apparent as the reports come forward.

The CAO is working with the Manager of Legislative Services to facilitate a refresher / check in with Council as part of the midterm discussion. Some of this process would be beneficial to be included in this midterm discussion

ORGANIZATIONAL SUCCESSION PLANNING

The Chair noted at that a previous Committee meeting, members expressed interest in hearing about how succession planning is dealt with corporately and how vacancies are being filled.

The CAO noted that succession planning in municipalities is challenging due to a variety of reasons. Due to the number of local government agencies within the region; opportunities for staff movement are more readily available. It is evident that trained staff have the opportunity to move from one municipality to another to gain different types of training and experience. Also, municipalities are known to recruit staff from other municipalities.

The CAO is not aware of a single municipality that has a detailed related succession plan as this has not been something that municipalities have done as a corporate approach. The expectation has always been that the staff group was built from within and this is something Saanich has tried to do. The CAO noted that opportunities (such as internal / external training) are provided for those who are interested and motivated and show promise for advancement.

The CAO noted that the challenge remains that once a team is built; there are staff who will continue to leave for better opportunities. Succession planning remains a concern and the CAO has expressed this to Council on numerous occasions.

Prior to Covid-19; management training sessions were being offered to all Saanich managers. This training program which supported the development and succession within the group will continue once it is deemed safe.

A significant initiative currently underway is the job evaluation analysis of the exempt group. The process will move away from the old categorization to a new modern approach consisting of job families. This new framework will allow staff to see how they might be able to move through the levels within the framework. It should be noted that CUPE positions underwent a similar type job evaluation process a few years back.

In response to the Chair and Councillor Harper, the CAO advised that there would be difficulties in providing the group with information on pending retirements. This information is private and as the group is small, there is a possibility that staff can be identified by age and years of service.

The Director of Corporate Services noted that as there is no mandatory retirement age, staff are working past the age of 60.

The CAO did inform the Committee that there are changes coming to the Municipal Pension Plan. Once the changes are confirmed in Spring of 2021; changes will take effect January 1, 2022. At this time, it is unclear as to how many staff will retire under the old rules.

The Chair noted that the issues have been raised and staff have sufficiently updated the Committee on what is happening in the municipality.

FINANCIAL IMPACTS OF COVID-19 UPDATE

The Director of Finance presented the Financial Impacts of the Covid-19 – Update report dated October 6, 2020.

The Director of Finance noted that overall results for the period are in line with expectations. Most revenues are holding with the exception of recreation as anticipated and expenditures are close to normal with anticipated underspend in recreation.

Year-end projections developed in early September for Recreation and Community Services indicate an overall deficit of less than \$1.5 million. These projections will be updated at the end of October when more data on actual use is available.

2020 property tax collection was over 90% at September 30, 2020 and there are no outstanding concerns with the 2020 property tax season.

MOVED by Mayor Haynes and seconded by Councillor Mersereau: “That the Finance and Governance Standing Committee receive the report for information.”

CARRIED

2ND TRIMESTER REPORT – JANUARY 1, 2020 TO AUGUST 31, 2020 (ATTACHED)

The Director of Finance presented the 2nd Trimester Report – January to August 31, 2020 report dated October 6, 2020.

In response to Councillor Mersereau, the CAO noted that the Strategic Plan dashboard would outline any progress or project delays for capital projects.

MOVED by Mayor Haynes and seconded by Councillor Mersereau: “That the Finance and Governance Standing Committee receive the report for information.”

CARRIED

FINANCE AND BUDGET DOCUMENTS FOR PUBLIC INFORMATION

The Director of Finance presented the Finance and Budget Documents for Public Information report dated September 29, 2020.

At the July 20, 2020 Finance and Governance Standing Committee Meeting, the following motion was passed:

“That the Finance and Governance Standing Committee review the ‘Finance at a Glance’ document and other pertinent budget documents at the next scheduled meeting of the Committee.

The Director of Finance reviewed the following documents that are available to the public:

1. 2019 Financial Results at a Glance
2. Shaping Saanich Fact Sheets

- Understanding how property assessments relate to property taxes
 - Understanding how financial planning works in Saanich
 - Saanich service delivery – where your tax dollars go
3. 2020 Budget in Brief
 4. Municipal Budget Process

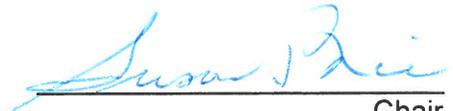
Committee members thanked the Director of Finance for the comprehensive reports. All noted that the documents contained pertinent information and were very well presented.

MOVED by Mayor Haynes and seconded by Councillor Mersereau: “That the Finance and Governance Standing Committee receive the report for information.”

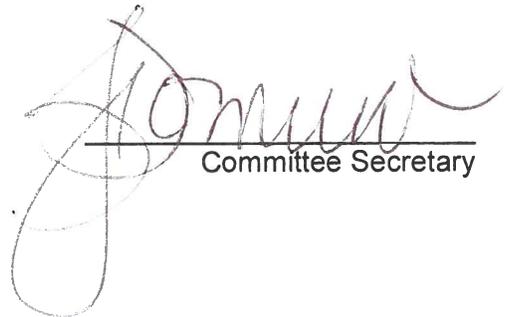
CARRIED

ADJOURNMENT

On the motion from Councillor Brice the meeting adjourned at 11:35


Chair

I hereby certify these Minutes are accurate.


Committee Secretary