



Islands Trust

## Budget Summary 2008 - 2009

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The **Islands Trust** is a federation of independent local governments that represents some 25,000 people living within the Islands Trust Area. The **Islands Trust Council** consists of 26 trustees elected from across the Islands Trust Area. Trust Council is responsible for preserving and protecting the unique environment of the Islands Trust Area through land use planning and regulation, development management, education, cooperation with other agencies, and land conservation. The **Islands Trust Area** includes the islands and waters between the British Columbia mainland and southern Vancouver Island. Included are 13 major islands and more than 450 smaller islands covering 5200 square kilometers.

The **Islands Trust's Financial Planning Committee** is one of three Trust Council Committees. This Committee is made up of 11 of the trustees from across the Islands Trust Area. The Financial Planning Committee is responsible for reviewing all matters related to the Islands Trust budget.

### What the Proposed Budget Means for Taxpayers

The Financial Planning Committee is recommending a budget of \$6.15 million for 2008-2009. This figure represents an overall increase of \$291,000 in Islands Trust taxes for 2008-2009.

Last year, the owner of a typical property assessed at \$450,000 paid about \$282.00 in Islands Trust taxes. If approved by Trust Council, the proposed Islands Trust budget for 2008-2009 would mean a tax increase of approximately \$16.35 for a property of that value. Islands Trust taxes account for approximately 10-20% of the total tax bill for a typical property in the Islands Trust Area.

Trust Council will discuss the proposed budget for 2008-2009, including all comments received from the public, at its quarterly business meeting on March 12-14, 2008, at the Hornby Island community hall. Trust Council may consider amendments to the proposed budget up to the time it adopts a final budget bylaw by a majority vote. All business meetings of Trust Council are open to the public.

### Why An Increase?

The budget proposed for 2008-2009 represents an overall property tax increase of 5.8% over last year's budget. The most significant reasons for this increase relate to Trust Council's commitment to the Islands Trust's provincially legislated mandate *"to preserve and protect the trust area and its unique amenities and environment for the benefit of the residents of the trust area and of the Province generally."*

The proposed budget increase will allow us to continue our earlier commitments that respond to the comments and suggestions from the public relating to:

- ◆ strengthening the Islands Trust's ability to protect the environment through improved mapping and land use bylaws,
- ◆ stronger bylaw enforcement,
- ◆ more effective and responsive governance, and
- ◆ better advocacy about island issues with other agencies and levels of government.

## Local Planning Services Renewal

Following an extensive review of our local planning services, Trust Council has approved additional planning staff in the Northern, Southern and Salt Spring offices of the Islands Trust. The new staff will carry out the planning objectives of islands served by all three of the Islands Trust's Regional Offices. This budget also addresses the need for new and specialized environmental or scientific expertise to deliver our preserve and protect mandate more effectively for all islands in the Islands Trust Area.

## Our Strategic Priorities

Trust Council is following a Strategic Plan that it developed early in the 2005-2008 term to set priorities and focus resources in a cost-effective manner. The Strategic Plan identifies three areas where we are now concentrating our energies: sustainable environment, healthy communities and excellence in governance. Strategic accomplishments in 2007-2008 that will lead to further work in 2008-2009 include:

### Sustainable Environment

- Riparian area protection – We have completed a model bylaw and our planned stream-mapping project is ongoing. We will continue to develop specific regulations through community discussion to meet provincial requirements for riparian area protection.
- Terrestrial ecosystem mapping – Data was collected for this project as planned and new maps are in production for Mayne, North Pender and Salt Spring islands. As other Local Trust Areas review their Official Community Plans, we will use our new data to create maps for other areas.
- Sensitive ecosystem protection – A model bylaw has been completed and adopted on North Pender Island; discussions on Mayne Island and Salt Spring Island are underway and set to begin in other communities as they review their Official Community Plans.
- Soil deposit and removal regulations – A draft bylaw has been created to focus the community consultation process now underway on Salt Spring Island.
- Protected areas - Increases have been achieved in six Local Trust Areas and on Bowen Island.
- 'A Place In The Islands' - Distribution of more than 1500 copies of this award-winning public education tool has been completed and further distribution is ongoing.
- Crown lands – We have completed in-depth profiles for eight Local Trust Areas and posted them on our website. Work is ongoing to complete the project. We have made significant progress in acquiring Crown land on Gambier and Bowen islands.

### Healthy Communities

- Growth management - We have completed build out studies for seven islands to assist in growth management discussions. Two Official Community Plan reviews are complete and two more are underway. Preparations for several more will begin in 2008-2009.
- Elections administration – A review has begun and changes are expected in 2008 to enhance citizen participation.
- Community Stewardship Awards – We completed our annual program and recognized six recipients. We will continue the program in future years.
- Archaeological site protection and First Nations relationships - One of two planned agreements is nearing completion. Ongoing work with First Nations will lead to better planning and protection of First Nations archaeological heritage sites.
- Affordable housing – We have developed a model housing agreement and implemented one on Salt Spring Island to ensure that an affordable housing project that is nearing completion continues to be affordable in the future. We plan further work on affordable housing agreements.

### Excellence in Governance

- Political representation - We have completed our review of political representation, after consultation throughout the Trust Area, and have forwarded requested legislative changes to the Minister of Community Services. Should the legislative changes be approved, we will do further work to implement them.
- Cost-effective bylaw enforcement – We have completed Municipal Information Ticketing bylaws on Salt Spring, North Pender and Gabriola islands, and will continue with further bylaws in 2008-2009.

Trust Council's Strategic Plan lists a number of other projects that will also continue in 2008-2009. As well, Trust Council is planning several new projects that will begin in 2008-2009. For example, in September 2007, Trust Council endorsed the BC Climate Action Plan. This endorsement commits the Islands Trust to actions in three areas:

1. achieving carbon neutral operations by 2012,
2. measuring and reporting on greenhouse gas emissions in the Islands Trust Area, and
3. fostering energy efficient communities through land use planning.

Trust Council plans to develop an initial strategy in 2008-2009 to meet these important commitments.

## Budget 2008-2009 - The Basics

The proposed budget for the Islands Trust is based on a forecast of anticipated **revenue** and planned **expenditures**.

### Revenue

While the Islands Trust receives a grant from the Province that represents approximately 3% of its proposed budget, property taxes from the Islands Trust Area provide the greatest amount of revenue. The rest of our revenue is from application fees, publication sales, interest on funds on deposit, and miscellaneous sources, primarily related to smaller program grants.

The proposed Islands Trust **revenue** for 2008-2009 looks like this:

|  |                    |                 |
|--|--------------------|-----------------|
| Property Tax Levy*                               | \$ 5,533,000       | (89.9%)         |
| Provincial Grant                                 | \$ 156,000         | (2.5%)          |
| Fees and Sales                                   | \$ 154,000         | (2.5%)          |
| Interest Income                                  | \$ 125,000         | (2.0%)          |
| Other Income (primarily external program grants) | \$ 100,000         | (1.6%)          |
| Election Funding from Surplus                    | \$ 85,000          | (1.4%)          |
| <b>TOTAL REVENUE</b>                             | <b>\$6,153,000</b> | <b>(100.0%)</b> |

\* The proposed property tax levy is comprised of Local Trust Area levy (\$5,287,000), Bowen Island Municipality property tax levy (\$196,000), and tax growth from new construction (\$50,000).

### Expenditures

The Islands Trust spends money in three main areas: the work of the Local Trust Committees (Local Planning Services), the work and operations of Trust Council (Trust Area Services), and the land conservation work of the Islands Trust Fund. These expenditures include the salaries and benefits paid to management, planning, and administrative staff. They also include the costs of holding on-island public meetings and the remuneration paid to locally elected island trustees. Additional money is spent to support the various services provided by and to the Islands Trust — everything from audits to insurance to renting offices to managing the Islands Trust website to paying legal fees.

The proposed Islands Trust **expenditures** for 2008-2009 look like this:

|                                       |                    |               |
|---------------------------------------|--------------------|---------------|
| Local Planning Services               | \$ 3,581,000       | (58%)         |
| Total Administration Support Services | \$ 1,327,000       | (22%)         |
| Trust Council                         | \$ 818,000         | (13%)         |
| Islands Trust Fund                    | \$ 427,000         | ( 7%)         |
| Contribution to Reserves (Surplus)    | \$ 0               |               |
| <b>TOTAL EXPENDITURES</b>             | <b>\$6,153,000</b> | <b>(100%)</b> |

A comparison of the proposed budget for 2008-2009 with the budget for 2007-2008 is included in the budget package under the heading "Comparison of Budgeted Revenue and Expenses for 2008-2009 and 2007-2008".

## What's Different From Last Year?

Before recommending the proposed budget, the Financial Planning Committee carefully considered many options to achieve things requested by various island communities. The Committee looked at how revenues might be increased and how services might be maintained or improved without also increasing expenses. In addition, it looked hard at the Islands Trust's existing budget to see where current programs might be cut in exchange for new ones.

The Financial Planning Committee is predicting that we can safely project an increase in our revenues from non-tax sources, particularly if we apply successfully for additional grants and invest our savings carefully. Nevertheless, to improve the delivery of existing services and to provide the new services our communities are asking for, the Islands Trust must still make a small increase in its overall budget next year. The proposed increase in expenses results not only from this decision to improve and expand the services provided to constituents but also from changes that are outside of our control, such as inflation.

### Local Planning Services Renewal

Over the past year, Trust Council has examined the way the Islands Trust carries out its responsibility for land use planning across the Islands Trust Area. Trust Council wants to deliver land use planning and regulation service effectively and efficiently, while recognizing the varying needs of island communities.

In December 2007, Trust Council approved a strategy for renewing the Local Planning Services unit, and approved the following staff increases:

- The Southern and Northern planning teams will each get a new assistant planner.
- The Administrative Assistants in both the Salt Spring and Northern teams will increase from part-time to full-time positions.
- One new Administrative Assistant position will be added to serve both the Northern team and Bylaw Enforcement Officers.
- A co-op student will be hired to work in Local Planning Services.

Some of these new and expanded positions are already in place. However, the budget for 2008-2009 contains an additional \$190,000 to fill the remaining positions and fund the associated office equipment, computers, training and travel. The proposed budget includes \$80,000 for specialized environmental planning contractors.

### Islands Trust Surplus (Reserves)

The Islands Trust Financial Planning Committee has strongly recommended that the Islands Trust Council rebuild its "reserve account" to ensure that the Islands Trust has sufficient operating capital in the event of unforeseen circumstances. Sound fiscal practices dictate that agencies like the Islands Trust maintain a suitable operating reserve to cover any unexpected legal or other costs.

Last year's "Contribution to Reserves" (or surplus) was budgeted at \$175,000. However, reduced expenditures in 2007-08 primarily due to vacancies in budgeted staff positions will produce a forecasted "Contribution to Reserves" (or surplus) of \$360,000. Because of this large contribution to reserves in 2007-08, the Financial Planning Committee has recommended that no contribution to reserves be budgeted in 2008-09. It is expected that further contributions to reserves will be recommended in future budget years to continue building reserves until the target of approximately \$1.4 million is met.

The table below summarizes the expected balances in the Surplus (Reserves) account for 2007-08 and 2008-09.

|                       |   |
|-----------------------|---|
| 691,110               | Opening Balance April 1, 2007                                 |
| (28,500)              | Forecast Appropriation from Surplus in 2007/08                |
| <u>360,000</u>        | Forecast Contribution to Surplus in 2007/08                   |
| 1,022,610             | Forecast balance in Surplus (Reserves) March 31, 2008         |
| (85,000)              | Proposed Appropriation from Surplus in 2008/09                |
| <u><b>937,610</b></u> | <b>Projected balance in Surplus (Reserves) March 31, 2009</b> |

### Revenues expected to increase or (decrease) compared to our 2007-2008 budget

Here are our estimates of revenue increases, excluding any increase in general property taxes.

In 2008-2009, we anticipate:

|  |                  |
|--|------------------|
| ◆ Increased funding from past years' Surplus (for Nov/08 election) | \$ 65,000        |
| ◆ Increased tax revenue due to new development and construction    | \$ 50,000        |
| ◆ Increased interest income  | \$ 45,000        |
| ◆ Increased provincial grant                                       | \$ 36,000        |
| ◆ Increased property taxes from Bowen Island Municipality*         | \$ 18,000        |
| ◆ Decreased applications fee revenue                               | (\$ 26,000)      |
| ◆ Decreased miscellaneous revenue                                  | (\$ 3,000)       |
| <b>TOTAL REVENUE INCREASES</b>                                     | <b>\$185,000</b> |

\* The process for determining this amount is defined in the *Islands Trust Act*.

### Costs expected to increase compared to our 2007-2008 budget

#### Non-Discretionary Cost Increases

In 2008-2009, we anticipate increases in a number of costs that are essentially beyond the Islands Trust's control – what we call **Non-discretionary Increases**. Here is a summary:

|  |                   |
|--|-------------------|
| ◆ Increased salaries and benefits (per agreement with the BCGEU)     | \$ 185,000        |
| ◆ Increased election costs (to fund the triennial local election)    | \$ 80,000         |
| ◆ Increased cost to replace obsolete telephone software              | \$ 20,000         |
| ◆ Increased office rent  | \$ 19,000         |
| ◆ Increased meeting costs  | \$ 15,000         |
| ◆ Increased trustee remuneration (assumes 4 trustees on Salt Spring) | \$ 10,000         |
| ◆ Increased miscellaneous costs due to inflation                     | \$ 9,000          |
| ◆ Increased telephone and mobile phone costs                         | \$ 9,000          |
| ◆ Increased postage and courier costs                                | \$ 7,000          |
| ◆ Increased trustee and executive travel                             | \$ 6,000          |
| ◆ Increased staff education funding (provincial program paid by IT)  | \$ 5,000          |
| <b>TOTAL "NON-DISCRETIONARY" INCREASES</b>                           | <b>\$ 365,000</b> |

#### Discretionary Cost Increases

To better fulfill the Islands Trust mandate and to act on requests from islanders, the Financial Planning Committee has proposed a number of **Discretionary Increases**. Here is a summary:

##### Discretionary Cost Increases in Staffing

|   |                  |
|---|------------------|
| ◆ Increased staffing in Local Planning Services, plus related costs for travel, training, and equipment (see above for more detail) | \$190,000        |
| ◆ Increase Communications Specialist from part-time to full-time with more time devoted to Local Trust Committee work               | \$ 35,000        |
| <b>TOTAL STAFFING INCREASES</b>   | <b>\$225,000</b> |

##### Discretionary Cost Increases in the Basic Operating Budget

|  |                   |
|--|-------------------|
| ◆ Increased cost to implement inter-office wide area computer network for increased reliability, security and staff efficiency | \$ 51,000         |
| ◆ Increased costs for legal services (bylaw enforcement & litigation)  | \$ 50,000         |
| ◆ Increased mapping budget for annual digital elevation work   | \$ 15,000         |
| ◆ Increased costs for inter-island travel  | \$ 10,000         |
| ◆ Increased recruitment costs for new positions  | \$ 10,000         |
| ◆ Increased computer hardware and software base budget   | \$ 10,000         |
| ◆ Increased communications publication budget  | \$ 9,000          |
| ◆ Other miscellaneous operating cost increases   | \$ 8,000          |
| ◆ Increased Islands Trust Fund property management and meeting costs   | \$ 7,000          |
| ◆ Increased Local Trust Committee local expense budgets  | \$ 6,000          |
| ◆ Increased trustee remuneration (0.6 % annually)  | \$ 2,000          |
| <b>TOTAL BASIC OPERATING INCREASES</b>   | <b>\$ 178,000</b> |

**Discretionary Cost Increases or (Decreases) for New Programs**

|  |                  |
|--|------------------|
| ◆ Projects that will only proceed if grant funding is received   | \$ 100,000       |
| ◆ New Reviews of Official Community Plan and Land Use Bylaw  | \$ 60,000        |
| ◆ Net reduction of budget for strategic plan projects. (The 2008/09 budget for strategic plan projects totals \$117,000 – see below) | (\$ 97,000)      |
| <b>TOTAL INCREASES FOR NEW PROGRAMS</b>  | <b>\$ 63,000</b> |

**Strategic Plan Projects Funded in the 2008-2009 Budget**

The projects in the Strategic Plan funded in the budget for 2008-09 are listed below.

|   |                |
|---|----------------|
| ◆ Continuation of Riparian Area Regulation implementation           | \$ 47,000      |
| ◆ Crown Land Acquisition – survey for Fairy Fen, Bowen              | \$ 5,000       |
| ◆ Expand NAPTEP Program – communication & meetings costs            | \$ 5,000       |
| ◆ Monitor and enforce Local Trust Committee covenants               | \$ 10,000      |
| ◆ Develop strategy to meet guidelines for BC Climate Action Charter | \$ 10,000      |
| ◆ Develop best practices for election period                        | \$ 5,000       |
| ◆ Continuation of records management process improvement            | \$ 20,000      |
| ◆ Continuation of human resources strategy implementation           | \$ 15,000      |
| <b>TOTAL STRATEGIC PLAN PROJECT FUNDING</b>                         | <b>117,000</b> |

**Discretionary Budget Cuts**

To balance off proposed increases, the Financial Planning Committee is proposing budgetary cuts in other areas. The proposed budget for 2008-2009 includes the following reductions:

|   |                    |
|---|--------------------|
| ◆ Decrease in contribution to Surplus         | (\$ 175,000)       |
| ◆ Decrease in contracted services             | (\$ 70,000)        |
| ◆ Decrease in current year program items      | (\$ 51,000)        |
| ◆ Decrease in furniture and equipment budgets | (\$ 34,000)        |
| ◆ Decrease in management contingency budgets  | (\$ 25,000)        |
| <b>TOTAL EXPENDITURE REDUCTIONS</b>           | <b>(\$355,000)</b> |

Despite the above cuts, we expect that the overall increase in costs will be substantial.

|                                 |                   |
|---------------------------------|-------------------|
| <b>TOTAL OF INCREASED COSTS</b> | <b>\$ 476,000</b> |
|---------------------------------|-------------------|

**The Bottom Line**

|  |                  |
|--|------------------|
| In summary, with <b>increased expenditures</b> of: | <b>\$476,000</b> |
|--|------------------|

|                                   |                  |
|-----------------------------------|------------------|
| And <b>increased revenues</b> of: | <b>\$185,000</b> |
|-----------------------------------|------------------|

|  |                  |
|--|------------------|
| The Islands Trust will need to raise its overall property tax revenue for the difference of: | <b>\$291,000</b> |
|--|------------------|

**This difference represents an increase of about \$3.63 per \$100,000 of assessed value, or an increase of \$16.35 for a typical residential property in the Islands Trust Area assessed at \$450,000.**

## How Does The Islands Trust Develop Its Budget?

Each year the Islands Trust Council develops a proposed budget through an extensive process that begins in the fall, under the leadership of its Financial Planning Committee. The Committee is made up of trustees from across the Islands Trust Area. It considers Council's strategic goals, operational needs, forecasted trends and suggestions from the public, staff and trustees.

The Financial Planning Committee presents a preliminary budget to the Islands Trust Council at a public meeting in December of each year. Based on the feedback it receives, the Financial Planning Committee refines this budget over January and February before proposing a budget for formal public input.

The public consultation process involves posting the proposed budget on the Islands Trust website and issuing news releases. All of the comments from the public are forwarded to the Islands Trust Council so that trustees can consider them before making a final decision about next year's budget.

Two flow charts to illustrate this budget development process are included in our budget package under the headings "*Budget Process*" and "*Budget Process Timeline*".

## Who Makes the Final Decision About The Islands Trust Budget?

Decisions about the Islands Trust budget are made by the **Islands Trust Council**, which consists of 26 trustees elected from across the Islands Trust Area. In March of each year, the Islands Trust Council meets in public to debate the budget for the upcoming fiscal year. This year, the meeting will be held on Hornby Island on March 12-14. Trust Council considers the recommendations of its Financial Planning Committee and reviews all of the input received from the public. This process may lead to changes in the final budget. Once an agreement is reached, Trust Council approves a budget bylaw and forwards it to the Minister of Community Services for approval. The budget is not final until it receives ministerial approval.

## Providing Your Input

All input provided by the public will be considered by Trust Council before it adopts a final budget for fiscal year 2008-2009. Trust Council needs to receive your written comments by **March 5** so that Trustees can consider them before the budget debate begins on March 13.

You can make your comments in one of the ways listed below:

**By mail or fax. Please send your comments to:**

Budget 2008 Islands Trust Council

Attention: Treasurer

200 – 1627 Fort Street

Victoria, BC, V8R 1H8      **FAX:** (250) 405-5155

**By email. Please send your comments to:**

[budget2008@islandstrust.bc.ca](mailto:budget2008@islandstrust.bc.ca)

**Talk to one of your elected trustees:** You can find the names, email addresses and phone numbers of our 26 elected trustees on the Islands Trust website at [www.islandstrust.bc.ca](http://www.islandstrust.bc.ca)

**Make a presentation to the Islands Trust Council meeting on Hornby Island in March.** See our website for more information about the meeting and tips for successful delegations. Please contact Marie Smith in writing at [msmith@islandstrust.bc.ca](mailto:msmith@islandstrust.bc.ca) (or at the address or fax number above) before **March 5** to request a delegation appointment. Persons or organizations wishing to reserve time to make a formal presentation to the Islands Trust Council during town hall session must receive an appointment.