

Dewdney Area Improvement District
Box 3005, Mission B.C. V2V 4J3
Phone: 604-826-2713 (messages) Fax: 604-826-0578
Email : info@daid.ca Website : www.daid.ca

TRUSTEES BOARD MEETING

Wednesday November 18, 2015 – 7.00 PM

Hatzic Prairie Community Hall, 10845 Farms Road, Hatzic Prairie

MINUTES

In Attendance: Deb McKay(Acting Chair)
Angus Derewenko
Christian Leuzinger
Ernest Loewen
Doug Sinitsin
Brett Vander Wyk
Peter Hanslo – administrator and finance officer
Larry Wiens – project manager
Ron Beck – facilities operations manager

Absent: Doug McNeill (work related)
Peter Schalkx (resigned)
David Scott
Darrell McDonald – assistant dike manager
Bruce Edwards – engineering consultant

Ratepayers: 21

Call to Order: Chair 7.04 pm.

- **Motion** to adopt November 18, 2015 meeting agenda
C.Leuzinger/D. Sinitsin Vote: unanimous in favour. Motion adopted.
- **Motion** to adopt October 28, 2015 meeting minutes.
E. Loewen/B. Vander Wyk. Vote: unanimous in favour. Motion adopted.
- October 28, 2015 meeting minutes **signed**.
- **Motion** to adopt October 28, 2015 in-camera meeting minutes.
D.Sinitsin/B. Vander Wyk. Vote: unanimous in favour. Motion adopted.
- October 28, 2015 in-camera meeting minutes **signed**.

REPORTS:

- **Dike maintenance manager report:** Ron Beck – appendix 1
- **Administration and finance officer report:** P. Hanslo – appendix 1
- **Project manager report:** L. Wiens – appendix 2

OLD BUSINESS**The district's method of calculating diking taxes.**

At the July 29 board meeting ratepayer Heather Thompson questioned the fairness of the way in which diking taxes were being levied – that being an annual mill rate applied to a property's current year assessed value. She referenced Improvement District Manual section C page 28 paragraph 3 and Local Government Act section 757 (1) to (9) as a starting point for a possible review of the DAID diking tax system. The administrator has studied that material and the district's past meeting minutes and bylaws going back to April 1973 and his findings are included in a written report.

The Chair gave permission for the administrator to read from his prepared report entitled "Administrator's comments" on subject matter. Copy report together with extracts from Local Government Act section 757 subsections (1) – (9) Improvement District manual section C page 28 paragraph 3 attached to these minutes for reference purposes.

Chair then allowed comments and suggestions from property owners present at the evening's meeting:

Heather Thompson	Wayne Robertson	Rick Dekker	Ivan Sigurdson
Ron Allison	Donna de la Cruza	Roy Chaplan	Rod Shead
Norm Vander Wyk	Donna Dulewich	Dave Durante	Mark Ray ???

Pertinent questions and suggestions included:

1. Number of acres of farm land.
2. Use simplified parcel tax system.
3. Taxation by number of people on title.
4. Use base rate for PID and then a mill rate.
5. Taxation per acre.
6. Get clarification from Ministry re. DAID changing taxation method.
7. BC assessments based on zoning bylaw not actual use.
8. Municipality taxation allows for homeowners grant. Get province to tax and then give back taxes to DAID.

9. How was taxation method changed in 1986 (Bylaw #28).
10. When was Local Government Act created.
11. Any formula change, legal opinion should be sought to see if legal to make a change.
12. Comparing property tax to DAID taxation is like comparing apples to oranges.
13. What are the qualifications for having no DAID taxations (4 properties).
14. Does CPR pay taxes (no PID for CPR).
15. No access to lake doesn't get anything out of DAID.
16. Taxation by cost hydro for pumping use.
17. Split budget into Capital and Operations. To get taxation re. pump use.
18. Dewdney doesn't have to have any pumping.
19. Number of people on title for Everglades and Swans Point.
20. How many properties in Hatzic Prairie have changed from private to farm status.
21. How many people on voters' list.
22. What formula does Abbotsford Diking and Nicomen Island use for taxation.
23. Barreldown – Frank Wright retired dike manager.
24. Roy Chaplin – province maintains and cleans Cascade Creek and Carrot Creek in northern Hatzic Valley (creeks run into Stave Lake). Why is DAID cleaning ditches, channels etc.
25. Taxation and number of votes are intertwined.

Motion: To strike an information meeting of trustees to review DAID data base after the BC Assessment information roll arrives in January 2016, gather information regarding properties, taxation, classes, values and also include suggestions from the property owners input at the November 18, 2015 meeting and present taxation options at a public meeting in the Spring of 2016.

B. Vander Wyk/G. Derewenko.

Vote: Unanimous in favour

Motion adopted.

Ratepayers' questions

All questions raised by district property owners during the course of the evening's meeting, were responded to by DAID board members and staff.

Set date, time and location of next board meeting.

Next board meeting scheduled for Wednesday January 20, 2016 starting 7.00 pm held at the Hatzic Prairie Community Hall, 10845 Farms Road, Hatzic Prairie. B.C.

Meeting adjourned: 9.16 pm

B. Vander Wyk/D. Sinitsin.

APPENDIX 1

Facilities operations manager report: R. Beck

- November 3: Wes McKimmon completed the Fall mowing of inside and outside dike slopes.
- November 5 – 12: Kevin Dekker cut trees on river bank from boat launch to Darrell's house.
- With assistance of Wayne Robertson (welding) fixed gate at pump house.

End of report.

Administrator and finance officer report: P. Hanslo

- Intake 2013 October update report (Hatzic Slough Sediment Management project) submitted to EMBC November 17, 2015.
- Full set of DAID January-October, 2015 financial statements completed and circulated to all trustees November 12, 2015.
- Diking taxes collected year to-date: \$359,162 (84%)
Outstandings at date of this report: \$66,300 (16%) representing around 100 property owners.
Outstandings age-analysis: \$58,00 current (2015) and \$8,000 previous year (2014).
- Our sympathies for a speedy recovery extended to Mrs. Brenda Koop who recently suffered a broken shoulder injury. Mrs. Koop plays an important role in circulating DAID's meeting notices in the community.

End of report.

APPENDIX 2

Operations and project manager report: L. Wiens

*Working with Barb Jensen from Hub International insurance for additional quotes on a new insurance policy that includes E&O

*Peter and I have completed our mid month report for EMBC with the exception of the new spending plan that I need to finish

*We are awaiting the survey and as built drawings from Wade and Associates to complete our SRS Project Completion Document

*Bruce and Daryl Grandberg have designed an inexpensive device to control our Flood Box outflow gates. We will build the device as soon as the water levels in the river go down.

*We have fielded calls from a resident on the island that is concerned about temidity in there well water.

*Bruce has done an excellent job on monitoring Fraser water levels and Hatzic Lake levels along with Hatzic Prairie.

*We are working on a plan that is workable and affordable to complete the drainage project in Hatzic Lake in 2016

*We have started work on a new 5 year 2016-2021 DAID infrastructure and Maintenance plan. As part of this plan we will provide a 5 year performa budget that will guide our spending and provide the land owners with a forward look at tax levels over the 5 year period.

End of report.

DEWDNEY AREA IMPROVEMENT DISTRICT DIKING TAX SYSTEM

Administrator's comments

October 28, 2015

- (1) In response to a district ratepayer's question, current year net taxes for each class is as follows:

Class 1	Residential	\$348,002	net taxes	(89%)
Class 5	Minor Industry	\$ 11,342	net taxes	(3%)
Class 6	Business	\$ 11,270	net taxes	(3%)
Class 9	Farm	<u>\$ 19,848</u>	net taxes	(5%)
Total		<u>\$ 390,462</u>	net taxes	

Note: Although farm land is assessed (and taxed) as class 9, the improvements (buildings) on that land are assessed (and taxed) as class 1.

- (2) In response to another request for information we advise that the total acreage for DAID's 542 taxable properties is 5,487 acres.

- (3) A 2015 diking tax-bracket analysis shows the following:

Property owners paying:	Zero taxes	4	Camp Luther/Hatzic Comm.Hall/ StoLo Nation/M.O.T.H (veterans assoc.)
Property owners paying:	\$25 minimum	13	
Property owners paying:	\$26 - \$100	38	Total of 369 properties or 68%
Property owners paying:	\$101 - \$300	61	paying between \$zero and \$700
Property owners paying:	\$301 - \$500	137	which is the baseline for item
Property owners paying:	\$501 - \$600	65	(5) comments.
Property owners paying:	\$601 - \$700	<u>51</u>	
Property owners paying:	\$701 - \$1,000	107	
Property owners paying:	\$1,001-\$2,000	54	Total 177 properties or 32%
Property owners paying:	\$2,001-\$3,000	6	paying between \$701 to \$10,000+
Property owners paying:	\$3,001-\$10,000	8	
Property owners paying:	\$10,001-	<u>2</u>	Resort properties:Everglades/Swans Pt
Total		<u>546</u>	properties

- (4) Mr. Mike Davies representing Swans Point Resort requested that his following comments form part of this evening's minutes (quote): "I believe the improvement district land is within the Fraser Valley Regional District (FVRD). Consideration should be given to using the FVRD mill rate formulas for the various land use categories within the improvement district."

To continue on the subject of the district's diking tax system. ***Local Government Act sections 757 subsection (2) and section 757 subsection (6)*** read as follows:

Subsection 757(2): "Taxes under subsection (1) may be established on the basis of parcels, groups of parcels, values or areas, or any combination of them and different rates of taxes may be established for different grades or classes of land and improvements."

Comments: DAID's tax systyem is based on a combination of parcels (parcel identification numbers or PID's) and values (assessed values provided by B C Assessment Authority). Different rates of taxes are established by DAID for different classes of land and improvements – refer attached samplings. DAID tax system therefore appears to discharge all the requirements of Subsection 757 (2).

Open for discussion.

Subsection 757(6): "If trustees levy a tax on the basis of values referred to in subsection (2), the must adopt a variable tax rate system under which rates are separately determined and imposed for each property class."

Comments: DAID does levy taxes on the basis of section 757 subsection (2) and according to the directive under subsection (6) "must adopt a variable tax rate system under which rates are separately determined and imposed for each property class." DAID's current tax system appears to discharge the requirements of subsection 757(6).

Open for discussion.

(5) **Closing comments:** Reference is made to Improvement District Manual section C page 28 paragraph 3. The second sentence in that paragraph reads as follows: "Most improvement districts use a simplified parcel tax system where the total costs are divided by the total number of benefitting parcels to determine a fixed parcel tax."

DAID's current year budget is \$380,000. The district's tax roll consists of 542 taxable parcels (542 parcel identification numbers or PID's). A "simplified parcel tax system" where cost (\$380,000) is divided by the total number of benefitting parcels (542) will give an average tax payable of **\$701 per parcel**. Based on the breakdowns provided earlier, if DAID were to consider such a system 68% of property owners paying less than \$700 diking taxes (based on current year taxes) would see their taxes increased to \$700 and 32% of district property owners paying more than \$700 would see their diking taxes reduced to \$700. This would result in one resort property which is currently paying \$30,739 (2 PID's) reduced to \$1,400 and another resort property currently paying \$10,746 reduced to \$700 (one PID).

It would seem fair to request that DAID property owners who are dissatisfied with DAID's variable tax rate system provide:

- (a) the name of the taxation authority they pay **property** taxes to, and
- (b) the tax system used by that taxation authority to calculate their **property** taxes.



This Act is Current to May 18, 2011

Local Government Act

[RSBC 1996] CHAPTER 323

Part 23 — Improvement Districts

Division 1 — General

Definitions

729 In this Part:

"**assessor**" means, except in section 756, the improvement district officer assigned responsibility for assessing land and improvements for the improvement district;

"**board of trustees**" means the trustees of an improvement district under section 736;

"**collector**" means, except in section 756, the improvement district officer assigned responsibility for collecting fees for the improvement district;

"**manufactured home**" means a single family dwelling manufactured as a unit, or in units, intended to be occupied in a place other than that of its manufacture, and designed so that it may be drawn or moved from place to place;

"**manufactured home park**" means land used or occupied by a person to provide spaces for the accommodation of 2 or more manufactured homes and for imposing a charge or rental for the use of the space;

"**owner**" means an owner as defined in the *Water Act*.

Repealed

730 [Repealed 2000-7-67.]

Incorporation by letters patent

731 (1) The Lieutenant Governor in Council may, by letters patent, incorporate an area of land comprising 2 or more parcels, whether contiguous or not, and its owners into an improvement district, under a name and with objects that appear advisable and with powers considered necessary to carry out those objects.

(2) The letters patent for an improvement district

may provide that some provisions of this Act or the *Water Act* do not apply to the improvement district and that other special provisions apply, and

Levying of taxes by improvement district

757 (1) The trustees may, by bylaw, levy taxes to raise the funds considered necessary to meet the obligations of the improvement district and to carry out its objects.

(2) Taxes under subsection (1) may be established on the basis of parcels, groups of parcels, values or areas, or any combination of them and different rates of tax may be established for different grades or classes of land and improvements.

(3) A bylaw under subsection (1) may establish the minimum amount of taxes payable for a parcel or group of parcels and may provide for discounts or percentage additions to encourage prompt payment.

(4) Unless otherwise provided, a tax is deemed to have been levied and is owing on and from January 1 of the year for which the tax is levied.

(5) A person whose name appears on the assessment roll of an improvement district in any year as the owner of any land is liable to the improvement district for the taxes levied by the trustees for that year for that land.

(6) If the trustees levy a tax on the basis of values as referred to in subsection (2), they must adopt a variable tax rate system under which rates are separately determined and imposed for each property class.

(7) Section 199 [*property tax rates regulations*] of the *Community Charter* applies to a variable tax rate system under this section and, for these purposes, a reference to a municipality in that section is to be read as a reference to an improvement district.

(8) A tax bylaw or tax must not be questioned on the ground that the rate of the tax exceeds what is required for the purposes for which taxes may be levied.

(9) Any action in which the validity of a tax bylaw is questioned must be commenced within one month after registration of the bylaw.

Tax notices

758 (1) As soon as practicable after a tax bylaw comes into force, the trustees must have sent to every registered owner of assessed land a tax notice that

(a) shows the amount of taxes owing by the assessed owner to the improvement district, and

(b) provides sufficient information on assessment and the rates of tax to show how the taxes are computed.

(2) The obligation to send a notice under subsection (1) must be considered satisfied if a reasonable effort was made to mail or otherwise deliver the notice.

Lien for taxes and tolls

759 (1) Despite anything contained in any statute, every assessment made, every tax imposed or levied, accrued or to accrue on any land, and every toll or charge established under a bylaw of an improvement district forms a lien and charge on the land on which it has been imposed, levied, accrued or established.

A lien and charge referred to in subsection (1) has preference over any claim, lien, privileges or encumbrance of a person, except the Crown and municipal taxes previously accrued, and does not require registration to preserve it.

COST RECOVERY

Assessment and Taxation

General

Sections 746 and 753 to 760 of the *Local Government Act* authorize the board of trustees to make bylaws in order to assess property, levy and collect taxes and to recover unpaid taxes.

Taxes are property charges fixed and payable by all landowners in the improvement district to which a service (or services) is provided, or can be provided in the future, if the property owner requests it. Monies raised through taxes are generally used to meet the annual debt costs, capital out of revenue and reserve fund allocations

Taxes may be fixed on the basis of parcels, groups of parcels, values or areas, or any combination of these. Most improvement districts use a simplified parcel tax system where the total costs are divided by the total number of benefiting parcels to determine a fixed parcel tax. Whatever the basis of taxation chosen, it should be based on an equitable allocation of costs that can be explained to the landowners.

Taxes are generally used in conjunction with tolls as a method of cost recovery for direct services such as water or garbage collection where there is an element of consumption. Taxes are generally used as the sole method of cost recovery for services that are provided more occasionally or indirectly such as fire protection, street lighting, or dyking. While an improvement district can levy taxes on properties that are not directly receiving a service, consideration must be given to whether the properties could receive the service in the future if the owner requested it. For example, if a water main fronts a property that is undeveloped, there is logic for it to be taxed as the money will be used to ensure the water system is maintained for when the owner wants to develop the property. If a property cannot be connected to a water line, there is no logic for taxing it as the owner will never benefit from the water system. If a property not receiving water is taxed, a capital expenditure charge will not usually be payable at the time a water connection is requested.

Bankruptcy and Collection of Charges

If an improvement district has outstanding taxes, tolls, or charges against a property where the owner has filed for bankruptcy, the improvement district should make a claim to the bankruptcy trustee in order to be added to the list of creditors. The claim should specify the amount owing to the improvement district, including any penalties or interest. The bankruptcy trustee will decide how much of the outstanding amount (if any) will be paid to the improvement district from the owner's assets.