

DEWDNEY AREA IMPROVEMENT DISTRICT

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TRUSTEE BOARD MEETING

November 27, 2017 – 7 PM

Hatzic Prairie Community Hall, 10845 Farms Road, Hatzic Prairie

MINUTES

In Attendance: Ray Boucher (Chairman)
Debbie McKay
Brett VanderWyk
Dave Scott
Jim Loewen
Steve Anderson
Rick Dekker
Richard Astell

Guests: 11 Ratepayers

Absent: Richard Shelley

Call to Order: 7:00 pm

Motion: To adopt November 27, 2017 meeting agenda.
Richard Astell/Debbie McKay Opposed: None **Motion: Adopted**

Motion: To adopt October 30, 2017 Trustee meeting minutes.
Steve Anderson/David Scott Opposed: None **Motion: Adopted**
Meeting Minutes Signed: Ray Boucher – Chair

Motion: To adopt a resolution to hold an in-camera meeting immediately following this public meeting to discuss staff matters.
Debbie McKay/Brett VanderWyk Opposed: None **Motion: Adopted**

Sign: Resolution 46 - In camera meeting November 27, 2017 signed by Chair - Ray Boucher

REPORTS:

Dike Manager: See Appendix (1)

Admin/Finance: See Appendix (2)

Motion: To mail out Dyking Tax Summary Notices to all accounts with balances owing over 10.00. Approximate mailing cost 175.00.
Jim Loewen/David Scott Opposed: None **Motion: Adopted**

Motion: To strike a committee of DAID trustees to discuss and review delinquent accounts for further action including tax sale.

David Scott/ Brett VanderWyk Opposed: None **Motion: Adopted**

Tax Sale Committee: Debbie McKay, Brett VanderWyk, David Scott, Rick Dekker

Motion: To strike a committee of DAID trustees to review database upgrade proposal, cost and options.

David Scott/Jim Loewen Opposed: None **Motion: Adopted**

Database Committee: Debbie McKay, David Scott, Richard Shelley

Purchase order: Finance suggestion to use purchase order system. Deferred at this time.

OLD BUSINESS:

District method of calculating taxes:

First meeting, December 12, 2017 Everglades Hall @ 7:00 pm.
Richard Shelly added to committee. Paul Anderson to attend December meeting for Steve Anderson.

NEW BUSINESS:

Status of 2017 Taxes: *See Appendix (3)*

Public Questions/Discussion:

- Increased traffic on Dyke
- Parking in front of Gates-Potential impeding emergency access.
"Vehicles will be towed signs". Mission Towing
- Ratepayer driveway accessing the Dyke. Block and chain driveway

Motion: To send ratepayer a letter driveway accessing dyke needs to be blocked.
David Scott/ Rick Dekker Opposed: None **Motion: Adopted**

- Dredging creek
- Dredging east side of lake
- Sand Recovery Station sediment removal annually

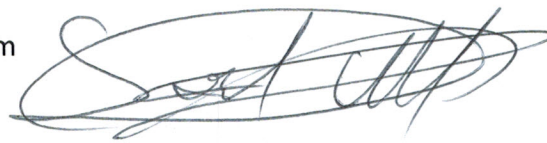
Motion: To contact FVRD for help with sediment removal or FVRD taking over ownership of stations.

David Scott/Jim Loewen Opposed: None **Motion: Adopted**

- Nutrient Algae
- Staff purchasing dollar limit \$300.00 without approval.

Next Meeting: January 29, 2018 - Hatzic Prairie Hall at 7:00 pm.

Meeting Adjourned: 8:05 pm



DAVID SCOTT
Acting CHAIR
1/29/18

APPENDIX (1)

**Dike Manager Report – Ron Beck
November 27, 2017**

Oct. 31/2017	Cleared tree limb off gate at Derry's and bent gate post back. Wayne measured for new gate.
Nov. 2/2017	Log stuck in gate.
Nov. 6/2017	Put "No trespass" sign in at Vermeer's.
Nov. 10/2017	Wayne helped remove log from flood gate.
Nov. 20/2017	Phone call about truck on dike at Vermeer's.
Nov. 24/2017	Started pump #2.
Nov. 26/2017	Turned off pump #2 and started Pump #3.
Nov. 26/2017	80 hours of pumping so far.

Appendix 2

DAID FINANCIAL REPORT NOVEMBER 2017

As of October, 31 2017 all payments collected in taxes, penalties and interest total \$ 388,381.00

The outstanding totals are as follows and include all penalties & interest charges on delinquent balances to Sept. 30, 2017

2013- \$40.80
2014- \$819.96
2015-\$12,331.95
2016-\$39,547.19
2017-\$115,333.97

Total - \$168,073.86

Trustee McKay & I have discussed sending out summary notices as interest charges of 6.2% effective Oct 1, 2017 on all balances will commence on Jan 1, 18.

These summary notices should be sent next however still being worked on. I will include a form cover letter which will also remind the ratepayers that all properties with 2 or more year of arrears are subject to tax sale.

I suggest a motion for the mailout for tax summary notices and the costs associated with the mailout of the notices.

My count is apx. 165- 175 mailouts for costs.

With the review of our purchases I am suggesting a **motion that all purchases being made For DAID payment must have a PO attached and the PO can be obtained from finance.** This is to ensure that no purchases are being made without prior approval from the board.

As for the seriously delinquent accounts. We have 3 from 2014 and there are 18 properties from 2015. All of these need to be discussed in detail, and be reviewed for tax sale.

(Attached District manual pages 31-35 tax sale)

I would again like to suggest a motion for a committee of to be formed to discuss delinquent accounts in detail and review for further action including tax sale.

As we have many concerns with the old data base we use I was asked by a trustee to consider a low-cost option that will bring us more current and secure our data, increase our productivity and be able to interface with the yearly information that we receive from BC Assessment. Trustee McKay is the most knowledgeable with this and I have not discussed this with her due to our very busy schedules I have however discussed this with a past college who believes we can obtain our desired goal by using Microsoft Access. I asked Mr. Andrews to put forth a proposal which I have attached for the trustees. This does not have any real details however will hopefully begin a process to which will start some action in this area.

I would like to suggest that a committee of trustees be formed to consider this and to further discuss with Mr. Andrew the details of this potential project.

Issues have arisen that may have reason to adjust past years financial records. I would like the trustees to be clear that if decisions are made in these areas that the costs associated to adjust any past year financial records is \$1500.00-2000.00 **per year** min. At this time the board does not have a budget line for these types of adjustments and must consider these costs in their decisions

As year end approaches I will require all billings, work on the dike, pump house or any other area that pertains to 2017 be submitted no later than December 15, 2017 for payment. Please do not order any other Jobs to be done for the 2017 year without discussion with the financial office for year end closing purposes Effective December 1, 2017.

Thank you,

Encl

Problem

Currently DAID is using a database that is heavily relied upon, which is also based on an antiquated piece of software that is no longer commercially available. The current database has limitations and slows productivity.

Proposal

I propose creating an updated database which will run on the current version of Microsoft Access. The database will be able to import the data directly from the BC Roll information, complete mail merges based on outstanding balances or various other criteria, be able to run interest based on outstanding balances at a specific date, and will offer customizable search and table functions based on user needs.

Resources

All programming to be completed off site. Work will take approximately 4-6 weeks to be completed, with a cost of \$7,000 + GST (50% deposit due upon acceptance, with remainder to be paid upon database completion.

Contact

Andrew J. Peters

AP Bookkeeping Services

APBooksServices@Gmail.Com

(604) 836-5057

Tax Sale

In addition to all other remedies for the recovery of taxes, such as percentage additions and interest charges, an improvement district may, and must once in each year, hold a tax sale where there are taxes owing to the improvement district for 24 months or longer at the date of the sale. Sections 761 to 768 of the *Local Government Act* and the following preliminary tax sale procedures provide information about the process. Improvement districts may want to seek the assistance of legal counsel to ensure that all of the legislative requirements in each step are met. The method of calculating interest on taxes in arrears is also included later in this section.

If a property owner is in arrears with their provincial taxes as well as their improvement district taxes, there is a possibility the property could forfeit to the province before the improvement district can conduct their tax sale. If provincial taxes are outstanding when an improvement district proceeds to tax sale, the improvement district must be aware of the amount since they should also notify the purchaser of the outstanding provincial taxes. Property is normally subject to forfeiture for unpaid Provincial taxes after 24 months, with absolute forfeiture 12 months later. This usually occurs in November in each year. If property goes to the absolute forfeiture, the improvement district will lose its ability to collect its outstanding taxes.

Improvement districts should contact the nearest Government Agent's office or Surveyor of Taxes office in Victoria for the status of the provincial taxes on the same property where the improvement district has taxes in arrears for 24 months or longer. If absolute forfeiture will occur in the same year, the improvement district will need to schedule their tax sale before the province's.

If an improvement district is located within the boundary of a municipality, the municipality's financial officer should be contacted to determine if there are outstanding municipal taxes. If a municipal tax sale looks inevitable, the improvement district should schedule its tax sale before the municipality's.

If a property is listed for tax sale and a partial payment is received by the improvement district, it must accept the partial payment. Any payment made on taxes owing for 24 months or longer is applied first to the oldest outstanding taxes (interest, percentage addition, then initial levy), and then applied against subsequent years. The tax sale would only be cancelled if the amount received, by way of partial payment, was sufficient to pay the full amount owing for oldest outstanding taxation year (initial levy plus percentage addition plus interest to date of payment).

The upset price for sale of the property is the total tax, interest, penalties owing, plus the cost of conducting the sale and registration fee as set out in section 762 of the *Local Government Act*. A bylaw is required to establish the improvement district's costs for holding a tax sale and should be registered prior to initiating tax sale for the first time.

At the improvement district tax sale auction, the prospective purchasers must be advised of any outstanding Provincial taxes, and improvement district charges (tolls, capital expenditure charges, etc.) which will have to be paid before the tax sale deed is registered.

To avoid a conflict of interest situation no one associated with the improvement district should bid on the property unless they are bidding on behalf of the improvement district. Any property for which there is no bid automatically reverts to the improvement district.

Preliminary Tax Sale Procedures

The following procedures are to be followed by an improvement district to recover unpaid taxes through tax sale proceedings. Improvement districts may want to seek the assistance of legal counsel to ensure that all of the legislative requirements are met.

1. Under Section 762 of the *Local Government Act*, a board of trustees may hold a tax sale once every year and sell at public auction all lands where the improvement district's taxes have been owing for 24 months or longer at the date of the tax sale.
2. The board of trustees should, at a meeting held early in the year, decide the date, time and place to hold the tax sale. When deciding this date, they must consider the taxation due date. For example, if June 30th is the due date for the taxes to be paid, the tax sale date must be later than June 30th.
3. The provincial government no longer holds tax sales for unpaid provincial taxes, but carries out a plan of forfeiture which, if taxes are not paid within a period of one year from the serving of the notice of forfeiture, the land reverts to the ownership of the province. Notice of forfeiture is usually sent out in mid-August or the first part of September to all landowners owing taxes to the provincial government for any of the years up to and including the year in which the notice of forfeiture is mailed. If the province's taxes are not paid prior to November 30 of the following year, the land will revert to the province.

In view of the above, it will be necessary for improvement districts to hold its tax sales prior to the land being forfeited because once it is forfeited to the province, the improvement district cannot recover the taxes. In other words, any taxes presently outstanding for a full 24 months should be collected by tax sale or otherwise prior to November 30, the date of forfeiture. The local Government Agent's office or the Surveyor of Taxes office should be contacted in September of each year to ascertain whether or not any properties in the improvement district are subject to forfeiture.

4. If an improvement district discovers that there are properties subject to forfeiture for which taxes are owed to the improvement district for less than the full 24 month period, the board of trustees should take necessary action to have a statutory lien enforced (section 759) prior to the date of forfeiture.
5. When an improvement district sells a property at tax sale, it is necessary that the Surveyor of Taxes be advised of the name and address of the new owner, along with a legal description of the property affected. The Surveyor's office can be contacted at: Ministry of Finance, P.O. Box 9446, Stn. Prov. Govt., Victoria, British Columbia, V8W 9V6.
6. If there are Provincial taxes owing at the time of the tax sale, the improvement district should advise those attending the public auction of the amount of Provincial taxes owing so that this amount can be paid to the Province by the new owner after acquiring the property and prior to the forfeiture date.
7. If an improvement district is intending to hold a tax sale, a tax sale charge bylaw should be passed to recover the improvement district's expenses in connection to the tax sale.
8. At least 60 days before the tax sale date, the improvement district officer assigned the responsibilities of collector prepares, signs, and causes to be personally served to the registered owner of each parcel of land liable to be offered for sale at the tax sale, a notice giving the information listed below:
 - a short description of the land for which the taxes are owing;
 - the amount of taxes owing to the improvement district (including any penalty addition) and the interest owing to the date established for the tax sale;
 - other expenses which, in combination with the above, will constitute the upset price. This price is shown in the tax sale notice;
 - a statement that if the amounts noted above are not sooner paid, the improvement district will, at the time and place shown in the tax sale notice, offer the land for sale at public auction; and,
 - a statement that the said proposed sale of the land will be an absolute sale and that there is no right of redemption for the owner or charge holder after the sale.

9. In addition to personally serving the above tax sale notice to the registered owner, the officer assigned responsibility must also serve notice to the holder of each registered charge on the property either by serving the notice or by registered mail.
10. The officer assigned responsibility must retain a copy of each tax sale notice issued.
11. No other advertisement or publication of the tax sale is necessary, but the board of trustees may advertise the sale if they feel it would be useful to attract bidders.
12. On the day, hour and place fixed for the sale, the officer assigned responsibility must proceed to sell by auction, all properties for which taxes, penalty additions and interest are still unpaid at that time.
13. Further information about the conduct of the tax sale is contained in Division 4 of Part 23 of the Act.
14. A sample tax sale notice and a tax sale deed are included in this section.

APPENDIX (3)

2017 Taxation Receivables Status

Three (3) scenarios have been encountered in 2017

1. Ratepayers paying by payments.
2. Ratepayer sending minimum 25.00 payment and an invoice to DAID equal to the balance of taxes owing for water storage on their land from July 18, to Sept 14, 2017.
3. Ratepayer requested in March of 2017 to be have their 2014 taxes (previously paid) to be recalculated and revised due to their 2014 appeal with BC Assessment to reinstate Farm Class.
 - Accountant has advised year end audits would have to be revised for each year 2014, 2015, & 2016 at a minimum cost of 1500-2000 for each year. Cost could be upwards to 6000.00.
 - Local Government Infrastructure and Finance Division, Ministry of Municipal Affairs and Housing were contacted by phone and email. They reference Local Government act section 710
 - DAID confirmed the DAID 2014 Assessment Notice contained a 2014 Assessment Court of Revision notice with date of May 10, 2014.
 - DAID confirmed the ratepayer didn't attend the 2014 Court of Revision nor advised DAID of the BC Assessment Appeal change in value in 2014.
 - DAID was advised the assessment roll would stand as per section 710 (6) of the Local Government Act. Suggestion was made to include Section 710 (6) in any response to the ratepayer.

Summary

1. The DAID assessment roll taxes are binding unless appealed at the scheduled Assessment Court of Revision. DAID could entertain revisions brought forward within the same calendar year.
2. Taxes are due September 30. Any current year tax payments received post marked after September 30 or any balance owing after September 30 will incur 10% penalty based on the tax owing on September 30. Interest will be charged on arrears and delinquents based on Ministry interest rate and schedule.
3. DAID Tax invoices are sent out in June giving over 3 months before the due date. Taxes are a yearly occurrence. DAID should have an additional administrative charge for any ratepayer making payments.
4. Dyking taxes not paid after two years, DAID can hold a tax sale to recover taxes.
5. Properties in arrears: 2017 (111), 2016 (69), 2015 (18), 2013/2014 (3).
Properties owing under 10.00 (25).