

DEWDNEY AREA IMPROVEMENT DISTRICT

Box 3005, Mission B.C. V2V 4J3 - Phone : 604-826-2713 (messages)

Email : admin@daidinfo.com - Website : www.daidinfo.com

TRUSTEE BOARD MEETING

Hatzic Prairie Community Hall, 10845 Farms Road, Hatzic Prairie

March 19, 2018 – 7 PM

MINUTES

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

Guests: 22 Ratepayers

Absent: Dave Scott

Call to Order: Chairman - Ray Boucher - 7:00 pm

Motion: To adopt March 19, 2018 meeting agenda.
Jim Loewen/Debbie McKay Opposed: None **Motion: Adopted**

Motion: To adopt February 26, 2018 meeting minutes.
Jim Loewen/Richard Shelley Opposed: None **Motion: Adopted**

Signed: February 26, 2018 Trustee meeting minutes - Chairman - Ray Boucher.

REPORTS:

Dike Manager: Ron Beck *See Appendix (1)*
Admin/Finance: Susan Livingston *See Appendix (2)*

OLD BUSINESS:

District Diking Tax Committee: Debbie McKay – *See Appendix (3)*

Motion: To accept Final report from the Taxation Committee – Alternative Method of Taxation as previously emailed to all Trustees.
Jim Loewen/Richard Shelley Opposed: None **Motion: Adopted**

Motion: To implement Alternative method of taxation for the 2018 DAID taxation year as recommended in the final report of the Taxation Committee.
Deb McKay/Richard Shelley Opposed: None **Motion: Adopted**

DAID Insurance: David Scott – Not available.

NEW BUSINESS:

AGM 2018: Debbie McKay - *See Appendix (4)*

Motion: To approve 2018 AGM notice.
Jim Loewen/ Rick Dekker Opposed: None **Motion: Adopted**

2018 Tax rates: Debbie McKay - *See Appendix (5)*

First Reading 2018 tax rates - Tax Rate Bylaw No. 76.
Second Reading 2018 tax rates - Tax Rate Bylaw No. 76.

Motion: To adopt Tax Rate Bylaw No. 76 – 2018 Tax rates
Jim Loewen/ Richard Astell Opposed: None **Motion: Adopted**

Court of Revision Date: Debbie McKay

Motion: To set Court of Revision Date of Saturday, May 12, 2018.
Time: Noon – 2pm at Everglades Resort 8400 Shook Road Mission B.C.
Deb McKay/ Brett VanderWyk Opposed: None **Motion: Adopted**

PUBLIC QUESTIONS: Public questions were answered by Trustees.

Date for next trustee board meeting: 2018 AGM on April 17, 2018 at Clarke Theatre.
Registration: 5:15 pm to 7:00 pm sharp. Meeting starts @ 7:15pm.

Meeting Adjourned: 7:32

Appendix - 1

Dike Manager Report – Ron Beck - March 19, 2018

March 2 – Cleared tree on dike with chain saw.

March 10 – Power outage.

March 14 – Power restored.

March 15 – Ken Stenerson bucking up trees on Kruger property along dike.
They will clean up big trees in that area.

Appendix – 2

DAID ADMIN/FINANCIAL REPORT - March 19, 2018

Received 20 deposits since the beginning of the year towards arrears. I've got the accounting under control and just waiting on the year end adjustments from Ann Harper. Met with the auditor today, she's in the final stages of the 2017 audit. I'm still learning the ropes and prepping for the AGM. Next we'll be sending out the AGM and assessment notices, they will be going out next week.

Appendix – 3

DEWDNEY AREA IMPROVEMENT DISTRICT Taxation Committee Final Report

TO: DAID Board of Trustees

FROM: Select Committee - Alternative Method of Taxation

SUBJECT: Final Report and Recommendations

The DAID Alternative Method of Taxation Committee held a final meeting on February 22, 2018. This report summarizes the discussions and recommendations the committee has made.

Mandate: On November 23, 2016 DAID Trustees passed a motion to establish a committee to review methods of assessing DAID taxes, review alternative options and present recommendations to the DAID Trustees.

Committee:

The committee consisted of the following members

Brett Vander Wyk	DAID Trustee - Dewdney
Rick Dekker	DAID Trustee - Dewdney
Debbie McKay (chair)	DAID Trustee - Hatzic Lake
David Scott	DAID Trustee - Hatzic Lake
Steve Anderson	DAID Trustee - Hatzic Prairie
Heather Thompson	DAID Ratepayer - Dewdney
Donna Dulewich	DAID Ratepayer - Hatzic Lake
Jim Watson	DAID Ratepayer - Hatzic Lake

Trustees invited to attend meetings if their schedules allowed:

Richard Shelly	DAID Trustee - Dewdney
Jim Loewen	DAID Trustee - Hatzic Lake
Ray Boucher	DAID Trustee - Hatzic Prairie
Richard Astell	DAID Trustee – Hatzic Prairie

The committee held four meetings between December 13, 2017 and February 22, 2018.

BACKGROUND:

1. Current Taxation Method – Implemented in 1986

DAID's current method of taxation is based on BC Assessment land and improvement assessed values, property classes and the DAID current year budget. A mil rate is determined and different ratios are applied to the different property classes. DAID current mill rate for Class 1 (Residential) and Class 9 (Farm) are the same.

2. Taxation Method was changed in 1986.

1985 % DAID Tax paid (combined Land & Improvement):	Residential	51.7 %	Farm	46.2 %
1986 % DAID Tax paid (combined Land & Improvement):	Residential	72.9 %	Farm	23.6 %
2018 % DAID Tax paid (combined Land & Improvement):	Residential	78.6 %	Farm	16.2 %

3. DAID Minimum Tax - Minimum tax payable of \$25.00 has not changed over the past 12 years.

4. DAID Land Acres – Total	<u>Residential</u>	<u>Farm</u>	<u>Other</u>
5,787.7	1,119.1 (19.3%)	4,661.1 (80.5%)	7.5

Committee review & discussion

- **Ministry of Municipal Affairs & Housing letter** stating different ways Improvement Districts can fix taxes. (i.e. parcels (PIDs), acres of land, groups of parcels, values) or any combination.
- **2016, 2017 & 2018 - BC Assessment Values and DAID Tax comparisons** (property examples)
- **Minimum Tax payable** - Years 1974 to present
- **DAID 2017 Land Tax Stats** - Land Tax - Farm vs. Residential
- **2017 & 2018 Taxes** - Farm Land and Residential Land
- **Alternative taxation options.** (i.e. per acre charge, per owner on title, combination of per acre and value)
- **DAID Tax Alternative method: Various reports for all Properties in DAID** - re different minimum values, and % of budget paid by farm land values.
- **History of Taxes Paid** – 1985, 1986 after tax method change, 2018 based on current method, 2018 alternative method.

Summary

Minimum Tax Payable: The budget in 1986 was 33,811, 2018 budget is 427,000 a total increase of 1262.9%. If increase to budget had been applied to Minimum Tax Payable in 1986 the current 2018 Minimum Tax Payable would be \$378.87.

Improvement Tax: BC Assessment value of Improvements (Buildings) for both Farm and Residential properties are fine.

Land Tax Residential: BC Assessment value of land for Residential is fair. They place a higher value of the land around the lake; these properties pay a higher rate of land taxes than properties in Hatzic Prairie or Dewdney.

Land Tax Farms: BC Assessment value of land for Farms is way undervalued. Farms hold 80.5% of the protected land yet only paid 7.15% of land taxes in 2017. The farms only contributed 16,788 of the 234,814 taxes on land to the 2017 budget.

Fair Tax Calculation: In 2017 Farms pay 7.15% of the land taxes yet holds 80.5 % of the land. If no changes are made Farms will pay 5.5% of the land tax to the budget in 2018. 2018 Farm land tax collected would be 14,585, Residential land tax collected would be 248,961.

Committee Recommendations:

After many hours of documentation review, and discussion the Alternative Method of Taxation Committee members unanimously agreed to the following recommendations.

This taxation method was created to correct the imbalance in the current taxation method. Currently 80.5% of the land protected by DAID is Farm land, which contributes 3.3% to the DAID Budget. The Minimum Tax Payable has not been adjusted with the increase in expenses (i.e. expenses have risen 1287% over the last 12 years yet the Minimum Tax Payable has not been adjusted in those 12 years. This taxation method will maintain a balanced ratio of taxes for the Minimum Tax Payable, Farm land taxes and Residential land taxes without the need to create a new taxation method in the future.

1. Minimum Tax Payable: Set to \$300.00 and attached to a Budget value of 427,000. Any % increase or decrease in future Budgets the Minimum Tax Payable would be increased or decreased by that %. (I.e. if budget increases 10%, the minimum tax payable would increase by 10% (\$330) a decrease of 5% would result in Minimum Tax Payable of (\$285)

2. Mil Rates: are calculated based on the percentage of tax Farm land contributes to the budget. This removes the fluctuation in land values from BC Assessment (i.e. Farm land always contributes the percentage defined) (i.e. percentage of the combined Residential and Farm land tax amount.)

3. Taxes are calculated using BC Assessment Roll Values.

4. DAID Taxes: Farm, land contribution is set at a starting percentage of 20% of the combined Farm and Residential Land tax amount. Minimum Tax Payable is set at 300.00.

This select committee acted in an advisory role to the DAID Trustees. The committee's goal was to give advice and recommendations to the DAID Trustees. Once the committee's report is presented to the DAID Trustees the committee's business is finished and it will be dissolved. It will be up to the DAID Trustees to take action or make decisions on the committee's final report.

Appendix – 4

Dewdney Area Improvement District - DAID

Box 3005, Mission, B.C. V2V 4J3

Phone-604-826-2713 (messages)

Email: admin@daidinfo.com Website: www.daidinfo.com

2018 ANNUAL GENERAL MEETING NOTICE
Monday April 17, 2018. Call to Order 7:15 pm

CLARKE THEATRE
33700 Prentis Avenue, Mission BC

Voter registration from 5:15 pm closes 7:00 pm sharp

- Must be registered on title and attend AGM to vote
- No proxy votes
- Landowners must check in with ID
- Completion of statutory declarations by corporations.
- Available at check-in: AGM agenda, 2018 Budget, 2017 financial statement, voter slip, Taxation report hand out

Included on the agenda

- Presentation of the district's current year budget,
- Auditors Report
- 2018 Taxation – Method of calculating

Trustee Terms \ Nominations

Due to term expiry 3 trustee positions are up for the 2018 election year:

- **Dewdney** (1) - 3 year term
- **Hatzic Lake** (1) - 3 year term
- **Hatzic Prairie** (1) - 3 year term

Candidates unable to attend the meeting are required to email their nomination acceptance to admin@daidinfo.com no later than April 13th, 2018 and provide a contact number for acceptance verification, prior to the election.

Trustees of the Dewdney Area Improvement District must comply with Resolution #39 and agree to the signing of a Confidentiality Agreement upon appointment and must have a private email address.

Appendix – 5
DEWDNEY AREA IMPROVEMENT DISTRICT

Tax Rate Bylaw No. 76.

A Bylaw for imposing taxes upon land and improvements in the district, and to provide for imposing a percentage addition to encourage prompt payment thereof.

1. The following taxes (rates) are hereby imposed and levied for the tax year 2018.

PROPERTY CLASS

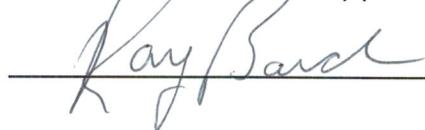
TAX RATES (DOLLARS PER \$1000 TAXABLE VALUE)

	<u>Base</u>	<u>Ratio</u>	<u>Rate(mil)</u>
1. Residential - Land	1.05	1.0:1	1.05
1. Residential - Improvements	1.26	1.0:1	1.26
2. Utilities	1.30	3.5:1	4.55
3. Unmanaged Forrest Land	1.30	4.0:1	5.20
4. Major Industry	1.30	3.4:1	4.42
5. Light Industry	1.30	3.4:1	4.42
6. Business and Other	1.30	2.45:1	3.19
7. Managed Forest Land	1.30	3.0:1	3.90
8. Recreation Property	1.30	1.0:1	1.30
9. Farm - Land	3.32	1.0:1	3.32
9. Farm - Improvements	1.33	1.0:1	1.33

2. Mill rates are calculated based on the percentage of tax, Farm land contributes to the Budget. Farm Land in 2018 is set to contribute 20% of the combined residential and farm land tax amounts.
3. The minimum amount of taxation upon a parcel of real property will be THREE HUNDRED dollars based on a Budget of 427,000.00. Future minimum rate will increase or decrease based on the percentage decrease or increase to the 427,000 Budget.
4. This taxation method was created to correct the imbalance in the current taxation method. Currently 80.4% of the land protected by DAID is farm land which contributes 3.3% to the budget. This taxation method will maintain a balanced ratio of taxes for the minimum taxes payable and farm and residential land taxes without the need to create a new taxation method in the future. Taxes are calculated using BC Assessment Roll values.
5. The afore mentioned taxes shall be due and payable on or before the 30th day of September 2018, and a percentage addition of ten (10) per centum of the amount therefore shall be added to all taxes remaining unpaid after the said date.
6. In addition, taxes remaining unpaid on the first day of March next following the date upon which the taxes are levied shall bear interest at the rate prescribed by the Lieutenant Governor Council under Section 11 of the Taxation (Rural Area) Act, as set out in the Local Government Act.

7. This Bylaw may be cited as the "Tax Rates Bylaw No. 76".

INTRODUCED and given first reading by the Trustees on the 19th day of March 2018
RECONSIDERED and finally passed by the Trustees on the 19th day of March 2018.



Chairman of the Board of Trustees
(Ray Boucher)

I hereby certify under the seal of Dewdney Area Improvement District that this is a true copy of Bylaw No. 76 of Dewdney Area Improvement District passed by the Trustees on the 19th day of March 2018

Administration/Finance Office
(Susan Livingston)