

2018 ANNUAL GENERAL MEETING

Tuesday April 17, 2018

Clarke Theatre, 33700 Prentis Avenue, Mission, BC

MINUTES

In Attendance:

Ray Boucher (Chairman)
Debbie McKay
David Scott
Steve Anderson
Rick Dekker
Richard Astell
Richard Shelley
Brett VanderWyk

Susan Livingston – Administrator and Financial Officer
Ann Harper – Auditor

Dorothy Phillips – Electoral Officer
Brian Phillips – Polling Clerk
Jennifer McKeown - Polling Clerk
Cheryle Hallberg - Polling Clerk

Absent:

Jim Loewen

Guests:

Approximately 170 ratepayers.

CALL TO ORDER:

Chair - Ray Boucher - 7:12 pm

Motion:

To adopt agenda for April 17, 2018 Annual General Meeting.
Debbie McKay/ Richard Shelley Opposed: None **Motion: Adopted**

Introductions:

Of current board members, staff, electoral officer and polling clerks by the chairman.

2017 Auditors Report:

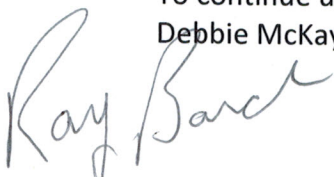
Presented by chartered accountant Ann Harper.
Chartered Accountant Ann Harper representing SFH Accounting presented the report on the DAID 2017 Audited Financial Statements.

Motion:

To accept 2017 Auditors report.
Dave Scott / Richard Shelley Opposed: None **Motion: Adopted**

Motion:

To continue using Ann Harper as the DAID auditor.
Debbie McKay/ Richard Shelley Opposed: None **Motion: Adopted**



ELECTIONS:

Election of new trustees: Elections were conducted by the Electoral officer Dorothy Phillips for 3 trustees:

Dewdney Zone	Rick Dekker	3 year term (term expired).
Hatzic Lake Zone	David Scott	3 year term (term expired).
Hatzic Prairie Zone	Steve Anderson	3 year term (term expired).

Electoral officer Dorothy Phillips called for nominees each zone. One nominee was presented for each zone. Nominees agreed to sign a Confidentiality Agreement.

Trustees Elected by Acclamation for 2018-2021 (3year term):

Dewdney Zone	Heather Thompson
Hatzic Lake Zone	Greg Hawksby
Hatzic Prairie Zone	Steve Anderson.

STAFF REPORTS:

Dike Manager Report: Ron Beck *See Appendix (1)*

Administration/Finance Report: Susan Livingston *See Appendix (2)*

Taxation Method of Calculating: Debbie McKay *See Appendix (3)*

Trustee Honorarium: Set by ratepayers.

Ratepayers Motion: To keep trustee meeting honorarium the same as 2017. (\$50.00)
E. Von Hardenberg / P. Schalkx **Motion: Defeated**

Ratepayers Motion: To set trustee meeting honorarium for 2018 to \$65.00 per meeting.
W. Koop / M. Gleason **Motion: Adopted**

Public Question Period: Public questions were answered by Trustees.

Election Results: All 3 zone trustee positions were elected by acclamation.

Date of next meeting: Post AGM meeting directly after AGM April 17, 2018.

Meeting adjourned: 7:51 pm

Appendix - 1

Dike Manager Report – Ron Beck

Dave Scott: Advised tree debris has been cleaned up on the dike in March...

Dave Scott: Presented the 2018 snow pack report.

Appendix - 2

Administration/Finance Report – Susan Livingston

My name is Susan Livingston and on February 1, 2018 I took over as DAID's Administrator and Financial Officer. The past two months have been interesting as I became familiar with the Improvement District Manual, setting up the Sage accounting for the coming year, attending and reporting on DAID Trustee meetings and getting to know the Trustees.

The 2018 budget of 427,000.00 was approved at the February 2018 Trustee meeting. This budget is a 1.9% decrease from the 2017 Budget.

2017 DAID Dyking Assessment notices were sent out March 24, 2018 and a 2018 Assessment Court of Revision will be held on Saturday May 12, 2018 as noted on the Assessment notice. Two trustees and I will be available to discuss concerns and any BC Assessment appeal value changes.

The 2017 Audited Financial report and 2018 Budget have been included in tonight's AGM Agenda package.

The total past due taxes at the end of 2017 totaled \$105,888. Taxation Arrears Summary reports were sent to ratepayers in November of 2017. The recent 2018 Assessment notices have triggered ratepayers memories regarding their outstanding arrear and cheques are starting to be received for the 2017 and prior year arrears. Interest rate on these balances have commenced on April 1/18 at 6.45%.

Collections efforts will continue to reduce these outstanding accounts receivable balance.

Appendix - 3

Taxation Method of Calculating Report - Debbie McKay

2017 Taxation Method of Calculating Committee

DAID would like to thank the Taxation Committee members for their time spent in evaluating, documenting, attending meetings and their input.

Highlights of the Taxation document in the AGM package back of the 2018 Budget page (Appendix - 4)

1. **Current Taxation Method** implemented in 1986 is based on assessed values. A mil rate is created based on total of BC Assessment values for land and improvements and the DAID Budget.
2. **Prior to 1986 the taxation method** was based on a per acre charge and mil rate for improvement values.
3. **1985 % of Combined Land & Improvement Tax paid to DAID:**

Residential	51.7 %	Farm	46.2 %
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1986 % of Combined Land & Improvement Tax paid to DAID:

Residential	72.9 %	Farm	23.6 %
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2018 % of Combined Land & Improvement Tax paid to DAID:

Residential	78.6 %	Farm	16.2 %
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4. DAID Minimum Tax - DAID budgets have increased 1,263% since 1986 (32 years).

The Minimum tax payable of \$25.00 has not changed over the past 12 years and has been less than 40.00 for most of the past 32 years. If increases to budget had been applied to the Minimum Tax Payable in 1986 the current 2018 Minimum Tax Payable would be \$379.00

5. Improvement Tax: BC Assessment Improvement (i.e. Building) assessed values for both Farm and Residential properties are comparable.

6. Land Tax for Residential: BC Assessment land assessed values for Residential are fair. Land values around the lake are higher. These properties pay a higher rate of land taxes than properties in Hatzic Prairie or Dewdney.

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

7. Fair Tax Calculation: If no changes are made Farms will pay 5.5% of the land tax to the budget in 2018. Farm land tax collected in 2018 would be 14,585; Residential land tax collected would be 248,961.

2018 Taxation method

DAID Trustees unanimously agreed with the Taxation Committee's recommendations and alternative taxation calculating method. Where mil rates are calculated based on a **percentage of tax Farm land contributes to the budget and a minimum charge of \$300.00.** This method would correct the imbalance of taxes paid in the current taxation method.

Taxation By-Law #76 was submitted to the Ministry with separate entries in Class 1 (Residential) for land, and for Improvements. Also, for Class 9 (Farm) had separate entries for Land and for Improvements. Different mil rates and ratios were used for each entry within a class and for the different classes i.e. Residential / Farm.

Taxation By-Law #76 was declined. When using the Assessment values method, separate entries for land and improvements in a class are not allowed. Also, the tax rates for each property class must follow required ratios to class 1 rates and relationship between tax rates must follow the Improvement District Tax Regulation schedule that shows Class 1, 3, 8, & 9 have the same rate/ratios.

DAID has been in contact with the Ministry to discuss alternative methods i.e. based on parcels, groups of parcels, area, per acre and assessed values or a combination of them and what method other Improvement Districts use. DAID Trustees have approved Jim Watson to assist Trustees with evaluating the alternative taxation methods. A new taxation By Law will be on the May Agenda.

Appendix - 4

Taxation – Method of Calculating - AGM Handout

2017 Taxation Method of Calculating Committee

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.

Taxation Background Information

1. Current Taxation Method – DAID Implemented in 1986 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 different property classes. Current mill rate for Class 1 (Residential) and Class 9 (Farm) are the same.

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 %

2. DAID Minimum Tax - Minimum tax payable of \$25.00 has not changed over the past 12 years and has been less than 40.00 for most of the past 30 years.

Summary of the Committee findings

***Minimum Tax Payable:** 1986 Budget was 33,811, the 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 Improvements (Buildings) values for both Farm and Residential properties are fair.

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

***Fair Tax Calculation:** In 2017 Farms paid 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. Farm land tax collected in 2018 would be 14,585; Residential land tax collected would be 248,961.

Committee Recommendations

DAID Trustees unanimously agreed with the Taxation Committee's recommendation to change the present method of calculating DAID taxes and implement a taxation method to correct the imbalance of taxes paid in the current taxation method. 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 a future budget, 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 a percentage of tax Farm land contributes to the budget. This removes the fluctuation in land values from BC Assessment. Farm land tax 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: For 2018. Farm, land tax contribution set at a starting percentage of 20% of the combined Farm and Residential land tax amount. Minimum Tax Payable set at 300.00.