

NORTH CEDAR IMPROVEMENT DISTRICT

MINUTES OF THE SEPTEMBER 24, 2015 **COMMITTEE OF THE WHOLE BOARD OF TRUSTEES MEETING**

TRUSTEES PRESENT:

Trustee Loos, Chairperson
Trustee Anderson
Trustee Jean Louis
Trustee Murdoch
Trustee Rosato-Taylor

STAFF:

Heather Sarchuk, Administrator
Jennifer Bradley, Treasurer
Percy Tipping, Fire Chief

GUESTS:

Mr. R. Kelln, 1764, 1754, 1768 Cedar Rd
Mr. A. Kelln, 2100 Village Dr
Mr. & Ms. Fiddick, 1431 Ivor Rd
Mr. Prtridge, 1689 Wobank Rd

1. CALL TO ORDER

Chairperson Loos stated prior to calling the meeting to order he was going to present some housekeeping. All questions tonight are regarding the 2016 budget as presented, please line up behind the microphone and give your name and address for the staff to document. Only one question at a time please. We will not entertain questions shouted from the floor. He expected a respectful meeting, he then thanked those in attendance and for attending the budget meeting.

Chairperson Loos called the meeting to order at 7:00 p.m.

2. APPROVAL OF AGENDA

MOVED by Trustee Jean Louis **SECONDED** by Trustee Murdoch
To approve the agenda as presented.

CARRIED

3. DELIGATIONS

(a) Mr. Robyn Kelln

Mr. Kelln's presentation to the Board had nothing to do with the 2016 Budget. He was told that the item he was trying to get the Board to discuss is an incamera item and cannot be discussed. He then asked about the treatment plant and where it was being built and if you do not know where you are building the treatment plant, then this Board does not have an answer for the moratorium.

Trustee Rosato-Taylor stated that the Board is working on it. She stated if you remember at the last AGM she sat on the same side as you and she asked some of the same questions that you are asking. She reported that she has learned in politics, it is very, very interesting, she thought that she should be able to get the same kinds of answers that you are asking. Now she sits on this side, she understands a lot more about the process, of politics, negotiation, confidentiality, and why as much as citizens have the right to know and should have 100% transparency, why some things cannot be disclosed when a citizen wants it disclosed. She stated that she could tell him that everyone is working on it, that we are not being sneaky and that we don't have all the answers right now. She reported that we are not magicians, we are just normal working people trying to do the best we can for our community.

Mr. Kelln asked if the one million does not get used in 2015 where does it come back in the 2016 budget.

Trustee Jean Louis stated that it goes back to Reserves where it belongs

Mr. R Kelln, his wife and Mr. A. Kelln left the meeting.

4. DRAFT FIRE PROTECTION BUDGET

(i) History of Tax Rate

Trustee Jean Louis reported that the Fire Protection budget was circulated and shows on account #4002 that there is a 6% increase. He stated that they are open to receiving any questions that we will try our best to answer.

Ms. Fiddick, 1431 Ivor Road reported that it states "Annual Levy-Province of BC", does that mean that the Province is levying this?

Trustee Jean Louis reported that the Province levy's the amount on behalf of the District.

Ms. Fiddick stated so it is coming via the Province so why is it a 6% increase. She reported that is a lot for this day when there is almost 0% interest, cost of living is extremely low, so I am looking at 6% increase and wondering how that happened.

Fire Chief Tipping stated that he would agree with Ms. Fiddick, that 6% seems like a large increase, some of that is operational, things like hydro have gone up two steps over the last two years, heating fuels, fuel, those are all costs that have increased. If you look at the bottom of the Operations section you will see a substantial increase there and part of that is due to amortization, the depreciation of our assets. He reported that the Fire Departments call volumes have increased, year over year which increases the budget. If you look at account #5022, that has increased part of that is due to having to expense items being purchased that do not meet the criteria, threshold to be capitalized. He stated you will see that the Capital portion of the budget is down from the previous year. He reported that the final is projects that include an alternate water supply for our un-serviced portion of the district, installing cisterns and storage tanks and putting money away for apparatus replacement.

5. DRAFT WATERWORKS BUDGET

- (i) Water Tolls Comparison 2010-2016
- (ii) Parcel Tax Comparison 2010-2016

Mr. Partridge, 1689 Woobank Road, he stated he has just a couple of questions, account #4056, appropriations from reserves, it is important to know what reserves are being drawn down, how much is left. He requested the reserve fund balance to which the treatment plant is being drawn from. He stated that the question is are we just going along normally or are we drawing down and going to hit the crunch where no money is left in the reserve account.

Trustee Jean Louis stated that the answer is no, we have approximately \$865,000 in reserves.

Mr. Partridge stated \$865,000 less the treatment plant would leave approximately \$168,000 in reserves, in effect wiping out the reserves.

Trustee Jean Louis stated you need to add next year's parcel taxes of \$387,000 and the amortization go back into this account.

Mr. Partridge stated that account #5146 is Contractor-Extra Work, can you tell us what this is as it is an odd description.

Trustee Jean Louis stated that we have a contractor looking after our water system and it is to differentiate between work done as per the contract and extra work done that is not in the contract price.

Mr. Partridge stated that account #4062, was the \$2,000,000 expected to be received from the RDN and/or used?

Ms. Bradley stated that the Board had anticipated taking out a loan in 2014 that did not happen.

Mr. Partridge stated just looking at Capital items, there is quite a discrepancy from 2014, 2015 between the budget and what was actually spent. This makes me a little uncomfortable, I know when I handled budgets most of my life, if I had been off on a major Capital item or any item as much as 5%, I would have some real questions to answer. Yet here is some that seem all over the map. I realize that I am talking about 2014 and 2015, but that I have a valid question to ask in terms of 2016. How confident is the Board and how confident we as ratepayers be that this budget will be any closer to those in 2014 and 2015. The account numbers are #4062, #4056, # 5146 and #5176. The difference between the budget, the projected, and or actual, a substantial difference and I am just wondering if you have confidence that the 2016 budget will be any closer.

Trustee Jean Louis stated that the part that is missing from this assessment of the budget is that at the beginning of the year there are certain projects that we thought that we would be able to proceed with such as the reservoir, but we were not able to achieve that. At the end of the day, what work was done is recorded. Account #5146, this is the first time we have had that account, this is new to differentiate what work is in the contract and what work is outside of the contract.

Mr. Partridge stated that in 2015, account #5176 you budgeted \$229,235 but only spent \$15,608 and are projecting to spend only \$20,000, 10 % of the budgeted amount, which is quite a discrepancy.

The Administrator reported that this item is per Island Health, the district submitted a design proposal that was not accepted so we had to re-submit. If they would have accepted the design proposal we may have been further along and spent up to the budgeted amount. The District is anticipating catching up and spending more as the treatment plant is to be up and running by January 2018.

Chairperson Loos reported that is the Boards presentation at this time, thank you all for coming.

6. **ADJOURN**

MOVED by Trustee Jean Louis **SECONDED** by Trustee Rosato-Taylor
To adjourn the meeting at 7:26 p.m.

CARRIED

Date

Chairperson of the Board of Trustees

Administrator to the Board of Trustees