

NORTH CEDAR IMPROVEMENT DISTRICT

MINUTES OF THE SEPTEMBER 8, 2016
BOARD OF TRUSTEES MEETING

TRUSTEES PRESENT:

Trustee Wilson, Chairperson
Trustee Anderson
Trustee Dives
Trustee Hyne
Trustee Jean Louis
Trustee Murdoch
Trustee Rosato-Taylor

STAFF:

Heather Sarchuk, Administrator
Percy Tipping, Fire Chief

PUBLIC: -

See Sign-In Sheet

1. CALL TO ORDER

The meeting was called to order at 7:00 p.m.

2. APPROVAL OF AGENDA

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

CARRIED

3. DELEGATION

(A) Mr. & Ms. Anderson – RE: Assessment Appeal 1653/1655 Cedar Road

Mr. Anderson stated that as citizens and ratepayers of the community, they have come to contest their assessment. Previously the assessor had left the room is that still pertinent now? He introduced his wife, Janice, and stated that they had been married 40 years this summer, and that Cedar is a very special part of their lives. He reported that they have had significant concern and anxiety over the years, with regard to the nature of our property and the nature to how it has been assessed.

Ms. Anderson stated that they bought their property in 1993, built the house in 1996, at that time Mr. Anderson was driving into town as he had an office in town. She stated that they decided for the sake of the environment, and finances, that they would build an accessory building on our property to house his business in 2007. She stated that in 2008 they received an assessment, which she questioned, and did not understand. She reported that at that time they contacted NCID and contested it then, but were told that there was nothing they could do about it. She gave a brief regarding their background, stated that they were passionate about the environment, her husband has a green design business, we have always been cautious with water, as that is the people we are. She stated that they do rain water collection on the property, we installed rain barrels and we complement that with Cedar water when we do water. She stated that when they built their house in 1996, we had the foresight to put a cistern in the basement, she thinks it is 600 gallons so that the gardens could be watered with this water. She reported that they were thinking about their water use at that time. She stated that they installed a grey water system in their house, they take their

grey water from the tub, and it goes into a tank in the basement, which is recycled through the toilets. She stated that they have invested in many fruit trees and berry bushes on their property to be more sustainable. She stated that they like to grow as many fruits and vegetables as possible, on their own. She then listed what they grow. She reported that what they have come to realize is that with the cost of water it is probably cheaper to purchase their fruits and vegetables. She stated that since the rates have gone up, the changes they have made in our family are, we go into the city to wash our car as it is too expensive to wash our car on our property, she stated what she doesn't like about that is that car washes are not good for the environment, not to mention the added cost to them as well. She reported that they only flush their toilets when necessary, if it is yellow let it mellow etc. She stated that it is awkward when they have company over, family and friends to ask them to only flush when necessary. She said that it makes her sound cheap when she asks them to only flush when they have too. She reported that they water their gardens by hand, they have put in an irrigation system, it doesn't do all the property yet, we can only install a little bit at a time, so they install as they can, in stages. She stated that in their home she is very frugal with water when doing laundry, washing dishes etc. She reported that she only does laundry and dishes when needed and when they have full loads. She reported that they have 4 grandchildren, to our disappointment we do not let them run through the sprinkler or on the slip and slid. She stated that there is a homebased business next door, with 6 people living in the home, which pay residential rates. She reported that they have 2 people living on their property, she leaves the property every day to go to work somewhere else and we have one employee come into work on our property. She stated that she does not understand why the people next door with 6 people living there and a homebased business don't pay the same rates as us, or that we don't pay the same rates as them.

Mr. Anderson reported that he had taken the time to prepare a submission for tonight's presentation. He then handed out to the Trustees his submission and asked them to consider adding it to the record.

Trustee Hyne requested that the Administrator bring the bylaws regarding the definition for the assessment bylaw for him to see.

The Administrator left the meeting to get the bylaw binder from the office. She handed the binder to Trustee Hyne open to Bylaw #404 the assessment roll bylaw.

Trustee Anderson submitted further documentation to be added to the record.

Trustee Dives asked Trustee Anderson if his business is a commercial business.

Trustee Anderson stated that he has a business license, which allows them to operate within the Regional District, City of Nanaimo, Parksville, Qualicum, etc. All home based businesses are encouraged to register as homebased business within the region. He stated that within the context of commercial use, we have a very limited allowance for commercial on our property and it would be appropriate to consider that we should not be paying commercial rates for the small amount of water usage there.

There was further discussion regarding zoning and homebased businesses.

Trustee Hyne proceeded to read out the definition for group E1 from the Assessment Roll Bylaw. He stated that there is no definition within the bylaw for commercial business, just commercial property. He then read out the definition for Commercial Building. He reported that the intention for that clause he believes is to refer to things like the shopping mall, not private property. There is no definition for which the ratepayer is being assessed. He stated so regardless of what the zoning is there is no criteria to assess this ratepayer, under the bylaw. He reported that he has three motions to put forward.

16.325 MOVED by Trustee Hyne **SECONDED** by Trustee Rosato-Taylor

To correct this Administrative error as there is no clear methodology to determine how this bylaw is applied particularly to private property used as a personal office. **CARRIED**

Mr. Anderson stated that the difference between commercial rate and residential rates for 65m³ is about \$100.

The Trustees had a lengthy discussion regarding what billings should be adjusted and what other Trustees from other Court of Revisions on how they interpreted the bylaw, which this Board should only be dealing with this year. There was further discussion regarding the other two properties that were also charged as E1. The Trustees had a discussion regarding homebased business, and if a person has a day-care will they be charged commercial rates or if they sell Avon or Epicure should they be billed commercial rates. There was also discussion regarding hair salons in a commercial building and hair salons as a home based business, they both use water for their business.

Trustee Hyne reported that there is no definition for E1, and until you have a definition, how do you have an argument against it, there is no definition. He also stated that the current ratepayer is representing himself not the other ratepayers. He suggested that the Board need to review Bylaw 404, particularly, E1, then make recommendations on what to do with it, at that time you can go back to the other ratepayers.

16.326 MOVED by Trustee Hyne **SECONDED** by Trustee Jean Louis

To adjust all billings from 2008 for the differential for commercial to residential for this ratepayer. **CARRIED**

16.327 MOVED by Trustee Hyne **SECONDED** by Trustee Jean Louis

To send this example on how the bylaw has been miss-applied to the finance committee for a recommendations on methodology in applying the various bylaws, to private residents used for the purpose of conducting a homebased business. **CARRIED**

Mr. Anderson joined the Trustees as Trustee Anderson and Ms. Anderson left the meeting.

Trustee Murdoch stated that she hopes that this Board will remember this and in future, when someone comes before the Board, will deal with it in the same way, or it will look like this is done in this way for one person.

Trustee Rosato-Taylor echoed what Trustee Murdoch stated, taxes are how we fund what we do and why doesn't everybody open up a homebased business if there is no reason to ever have to pay a commercial rate.

Trustee Anderson stated that a homebased business has a limited allowance for being able to operate so you have a very small footprint, small number of employees etc.

There was further discussion regarding this topic.

MOVED by Trustee Jean Louis **SECONDED** by Trustee Hyne

That the consideration for 1653-1655 Cedar Road be extended to 1818 Cedar Road, property occupied only. **DEFEATED**

4. ADOPTION OF MINUTES

(A) August 2, 2016 Operations Committee

16.328 MOVED by Trustee Dives **SECONDED** by Trustee Anderson
To approve the minutes of the August 2, 2016 Operations Meeting as presented. **CARRIED**

(i) Business Arising from the Minutes

No business arising from the minutes.

(ii) List of Board Motions

16.329 MOVED by Trustee Dives **SECONDED** by Trustee Rosato-Taylor
To receive and file the list of board motions. **CARRIED**

(B) August 11, 2016 Board Meeting

16.330 MOVED by Trustee Jean Louis **SECONDED** by Trustee Murdoch
To approve the minutes of the August 11, 2016 Board of Trustees Meeting as presented. **CARRIED**

(i) Business Arising from the Minutes

(a) Operations Meeting

Trustee Anderson requested that the Administrator add to the list – “Discussion on documents received from Gills Wendling” to the agenda. He advised that he had received information from Mr. Wendling which he will forward to all Board members and to the Administrator.

16.331 MOVED by Trustee Dives **SECONDED** by Trustee Anderson
To receive and file the Administration Report. **CARRIED**

(b) Starling Road Repairs and Additional Work

16.332 MOVED by Trustee Dives **SECONDED** by Trustee Hyne
To receive and file the Administration Report. **CARRIED**

(c) Remuneration Meeting

16.333 MOVED by Trustee Dives **SECONDED** by Trustee Murdoch
To receive and file the Administration Report. **CARRIED**

(ii) List of Board Motions

16.334 MOVED by Trustee Murdoch **SECONDED** by Trustee Dives
To receive and file the list of board motions. **CARRIED**

(C) August 23, 2016 Operations Committee

Trustee Dives reported that most of what was discussed is also in the document received which is incamera.

- 16.335 MOVED** by Trustee Anderson **SECONDED** by Trustee Hyne
To approve the minutes of the August 23, 2016 Operations Meeting as presented. **CARRIED**

Trustee Hyne stated that an email was received from Mr. Kelln, he asked Trustee Anderson if he had forwarded the email to the other Trustees.

- (i) Business Arising from the Minutes

No business arising from the minutes.

- (ii) List of Board Motions

- 16.336 MOVED** by Trustee Murdoch **SECONDED** by Trustee Anderson
To receive and file the list of board motions. **CARRIED**

(D) August 25, 2016 Committee of the Whole

- 16.337 MOVED** by Trustee Murdoch **SECONDED** by Trustee Dives
To approve the minutes of the August 25, 2016 Committee of the Whole Meeting as presented. **CARRIED**

- (i) Business Arising from the Minutes

No business arising from the minutes.

- (ii) List of Board Motions

- 16.338 MOVED** by Trustee Dives **SECONDED** by Trustee Murdoch
To receive and file the list of board motions. **CARRIED**

6. STAFF REPORTS

(A) WATERWORKS

- (i) Waterworks Report

No Waterworks report as it was not received on time.

- (ii) SCADA Reports – August 2016

The Trustees had a discussion regarding Aquifer Levels and Turbidity. They are going to discuss the reports with the Contractor, Joe Woolls.

- 16.339 MOVED** by Trustee Dives **SECONDED** by Trustee Murdoch
To receive and file the SCADA Reports for August 2016. **CARRIED**

- (iii) Services/Subdivision

- 16.340 MOVED** by Trustee Dives **SECONDED** by Trustee Murdoch
To receive and file the pending water service connection list. **CARRIED**

(B) FIRE PROTECTION AND STREET LIGHTING

(i) Fire Chiefs Report

The Fire Chief advised that the monthly water used should be 250,000 gallons not 120,000 gallons.

16.341 **MOVED** by Trustee Anderson **SECONDED** by Trustee Murdoch
To receive and file the Fire Chiefs Report.

CARRIED

(ii) Rescue Equipment Trailer

The Trustees had a lengthy discussion regarding the Rescue Equipment Trailer, the fire departments capital plan, and the Fire Chief's recommendation to purchase.

16.342 **MOVED** by Trustee Murdoch **SECONDED** by Trustee Anderson

To accept and approve the Fire Chiefs recommendation to purchase the 2015 Cargomate trailer including the listed equipment from Mr. Scott Melville of Triple Sevens Fire Consulting, for the purchase price of \$8000 excluding taxes.

CARRIED

(C) ADMINISTRATION

(i) Treasurers Reports

16.343 **MOVED** by Trustee Jean Louis **SECONDED** by Trustee Anderson
To receive and file the Treasurers Report.

CARRIED

6. **COMMITTEE/PORTFOLIO REPORTS**

No Committee/Portfolio Reports.

7. **BYLAWS, POLICIES AND RESOLUTIONS**

(A) BYLAWS

No Bylaws.

(B) POLICIES

No Policies.

(C) RESOLUTIONS

No Resolutions.

8. **CORRESPONDENCE/CONSULTANT REPORTS**

(A) Associated Engineering – Monthly Report

16.344 **MOVED** by Trustee Dives **SECONDED** by Trustee Murdoch
To receive and file the engineers monthly report.

CARRIED

(B) Improvement District Coalition Policy Appeal

16.345 **MOVED** by Trustee Jean Louis **SECONDED** by Trustee Dives
To receive and file the correspondence received from the Improvement District Coalition. **CARRIED**

(C) Sharon Thomson – August 2, 2016 meeting notes

16.346 **MOVED** by Trustee Dives **SECONDED** by Trustee Murdoch
To receive and file the August 2, 2016 meeting notes received from Sharon Thomson. **CARRIED**


9. **QUESTION AND ANSWER PERIOD**


No request for questions or answer from the Board Chair.

10. **ADJOURN AND MOVE IN-CAMERA**

16.347 **MOVED** by Trustee Dives **SECONDED** by Trustee Murdoch
To adjourn the meeting at 8:58 p.m. and move to in-camera. **CARRIED**

Oct 13 / 16
Date


Chairperson of the Board of Trustees


Administrator to the Board of Trustees

September 7th, 2016

Board of Trustees

North Cedar Improvement District

RE: Appeal of NCID property classification and water rates for 1653 / 1655 Cedar Road

We come before you as ratepayers within the NCID who believe we have mistakenly been misclassified for the assessment of the property since 2008 and for the rates in which we pay for our water use since 2012. This has caused excessive cost over the years (approximately \$1600 to \$1800 more than what we would have paid as a residential property) not to mention the personal and emotional stress of dealing with this apparent discrimination and the unwillingness of past boards to acknowledge and rectify the injustice.

We lived on our residentially zoned property since 1993 and paid residential rates for the use of water. As proponents of sustainability it became important to minimize our footprint and we made the decision to use the limited allowances of the RDN Home Based Business requirements as a means to minimize our carbon footprint and save some money by walking to work daily. In 2008 we were challenged that we had commercial activity on the property and since the NCID Bylaws did not respect zoning, the use of the property as it falls into various NCID classification groups dictated the assessment and subsequently as we were changed from A1 to E1, our property taxes tripled. I appealed this decision and it was noted that they felt the property was now commercial by their Bylaw and thus we were appropriately classified as E1. I asked if every home based business that was in an accessory building on a residential property was charged E1 – Commercial rates and I was advised that “your building doesn’t look like a typical accessory building (shed or detached garage). I asked where I could appeal this and was advised there are no options for appeal.

In 2012 we appealed this again as a new administrator was now in place. At this appeal there was no interest in changing the assessment either but they acknowledged that my claim that if I as a Home Based Business should have to pay commercial rates, then all other HBB should do the same. The Court of Revision concurred and said they needed to look into this and would advise. Nothing transpired however during my appeal I referenced that I make 1 pot of coffee daily within the business and occasionally we flush a toilet, whereby the discovery that we even used water in the building meant that they would now change our water rate use too so that every drop of water used on my property must be charged at commercial rates. This has led to significant concern and efforts to minimize use of water on the property rather than pay the premium commercial rates every time we shower, brush our teeth, use the toilet or water our vegetable garden.

So why do we feel this is an injustice? We have determined that there are only 3 Residentially zoned properties in the entire NCID that are charged Commercial, ours, a salon that recently went out of business and a Telus building. (see attachment). There are dozens if not hundreds of home based businesses in the NCID catchment area that also use water and under home based business allowances this can be within the main residence or an accessory building. I know of lawyers, engineering,

bookkeepers, haircutters, B&B, wood milling, auto repair, disc jockey and all forms of HBB that exist and operate but are not charged commercially.

It is also critical to understand that Home Based Business is a secondary or accessory allowance on a residential property and thus if the residence ceases, the business cannot legally continue. It is also known that even under the HBB allowances we are allowed only limited activity, only certain types of business, no use of exterior portions of the property, a maximum limit of 1 or 2 employees, limited signage, and a limited footprint of no more than 1076 square feet. In the case of the majority of residential lots in NCID, (1/2 acre) that means we can use no more than 4.9% of our property for commercial activity. From a legal perspective, I have no ability to match the level of commercial activity that a commercially zoned property can but must still pay equivalent rates.

On a practical basis I can point out that the majority of use of the water on site is for the residential actively. In the billing period to September 26, 2014 covering the 2014 summer, our consumption was 199 c.m. while the following quarter was only 19 c.m. and as the office was functioning during this time, it is obvious that the majority of our summer water use was for garden watering and that my home and office combined for only 19 c.m. In other words the amount of water used in the business is a mere fraction of the total water use.

So why is my HBB singled out and the one salon on Cedar Road when so many other home based business' are charged residentially? There does not appear to be any real policy on how "commercial use" is defined in NCID Bylaws or policies. I have been advised that it was because I had a second address on my property and therefore this is grounds to consider me commercial and yet the salon only has one address and doesn't even use an accessory building. The RDN acknowledges that there is no set policy for giving out second addresses.

It is this lack of true policy on how and why we charge some HBB as commercial and thus it appears to me that the 2 in question have been discriminated based on their prominence on the main road through our community, Cedar Road. It is my belief that this is not correct and I hope I can convince the Trustees that there needs to be a fair way to determine how we set commercial rates that does not discriminate against two families in our community. I suggest that the Trustees consider using Zoning as the basis of determining commercial until a fair and equitable "commercial use" policy is established. Had I known I had the option to appeal this to the Ministry, (only advised on the most recent appeal), this could have been resolved many years ago and we would not have endeared the costs and stress this weak NCID policy has created for us.

Jack Anderson

1653 Cedar Road.