

PIID Board Chairman's Report for the 2016 Annual General Meeting

My second report as Chairman of the Board of Trustees provides some information on the foundational work that is being done in regard to the services delivered by the improvement district and a brief status of those services. I also note one area of concern in regard to improvement district governance.

Foundations:

Financial Management Model: The current slate of trustees has embarked over the past 2 years on structuring a financial model which is intended to make annual and longer term budgeting processes more manageable and meaningful for future trustees and residents. This new template will include separation of what historically has been a single annual "Operations Budget" into components that will more clearly delineate the monies that are provided by your taxes for looking after our service infrastructure.

A start was made last year when the trustees and task force defined reserve funds for three portfolios based on an actual inventory of the capital assets within those portfolios. It is hoped that successful completion of the model over the next year will produce additional separations of the "pots" to specifically address: a) the cost of daily operations and administration, b) scheduled preventative maintenance work, c) the long term sequestering of reserve funds for capital asset renewal/replacement, d) a five-year schedule for upgrades and additions, and e) a contingency pool for true emergency expenditures. The end objective is that the trustees will be able to more effectively project a longer-term, comprehensive fiscal plan that will sufficiently and steadily deliver our domestic water, fire protection and parking compound services without the burden of debt in the years to come.

Our Financial Administrator will present the Financial Statements to you later this afternoon based on a familiar template and that report will indicate that the past year's taxes have been well-spent and expenses are within the budgets set. It is our hope, however, that future overviews of our financial position will be based on a new paradigm that will make the process of creating the numbers beneath the audit package an easier task for the trustees, and produce a more transparent format for land owners to better understand the taxes they pay.

Fire Department: As the Fire Chief's report explains, a solid foundation of well-trained fire fighters is no longer a pipe dream in our community. Several members of our volunteer fire department have completed or are completing the first full round of mandated safety training modules and acquiring skill competencies to keep the rest of us safer. This is a milestone to celebrate! Our Fire Chief and Risk Management Officer lead this group and both deserve our deep appreciation for their countless time and energy spent, as do other department members who pore over training manuals and practice their skills weekly.

Also building a more solid foundation of competency is our medical response group of first responders who are benefitting from a well-structured training programme delivered by our Medical Response Officer, Gerry Kristianson, and Sandy Brunham. Both have become certified trainers able to train other team members on island using new best practices for first responders. The trustees wish to express our appreciation to this whole team for their diligent service. Together they form a vital force in our community.

Status of the Water Department: The system is working well and all statutory standards of compliance have been met and exceeded over the past year. The physical works have not suffered any serious problems over that timeframe but we are increasingly aware that it would be prudent to commence a plan to transition from our 44-year old wood stave tank to newer apparatus soon. As the water report outlines, initial work is planned later this year and in 2017 to begin investigating the many varied aspects of a replacement project. We hope to

form a committee to assist the trustees in this work and the tank will continue to be closely monitored as we attempt to gauge the optimum timeframe for replacement.

As always, our water system thrives solely due to the efforts of volunteer water operations teams, past and present. Our current team is comprised of our water operators and several other islanders who offer their services in the numerous tasks that get done without fanfare. We owe them all our deepest appreciation for conscientiously caring for this valuable island amenity on our behalf, and in so doing, keeping our operational costs to an amazingly low level.

Status of the Buildings & Land Improvements Portfolio:

Parking Compound: Lenny Green's report has provided a detailed breakdown of the issues and projects surrounding our parking lot and mentioned a recent interest expressed by Seaspan to possibly trade properties. Please be assured that the trustees will keep islanders apprised if and when any formal move is made by that agency in furtherance of this action.

On the administrative side, the trustees continue to strive to enforce valid regulations for the use of the compound. Unfortunately, we have discovered that our original bylaw was never put into force due to a glitch in statutory bylaw process, so the trustees now intend to take instruction from the Ministry and begin from the beginning with a new parking compound bylaw. Please bear with us, we will get it done very soon. But regardless of that exercise, and for the sake of the new trustee responsible for Dolphin Road, please be reminded that simple consideration of your fellow islanders by each compound user remains the best way to make any list of "reminder rules" largely unnecessary.

Other Portfolio Assets:

Fire Hall: The Fire Hall maintenance team is still providing excellent service and the premises look good. Thanks to those islanders who continue to clean the toilets and scrub the floors for our better enjoyment of this important community facility.

Reservoirs: Work is badly needed to remove encroaching vegetation and open up the Upper Reservoir. In collaboration with the PIA Directors, the PIID would like to embark on this area of work soon to ensure we can maximize this fire protection asset if needed. In addition, the new *Water Sustainability Act* which was brought into force in February, 2016 to replace the *Water Act*, articulates more focus on how non-domestic surface water reserves, such as our clay dugouts, are being used and stewarded. All existing water license holders such as the PIID have been advised that increased monitoring by the ministry responsible is intended to better protect the security and safety of these resources throughout the province.

911 Emergency System Components: Much of this essential equipment is nearing the end of its useful life and some items need to be replaced now. This is a communal area of responsibility and the PIID trustees would like to collaborate with the PIA directors and the Piers Island Emergency Program members to collectively secure funds and resources for replacing worn out components of the emergency response equipment as soon as possible.

Administration and Governance:

Support Staff: 2015 saw a change of both PIID support staff when our long serving Financial Administrator, Brenda Allen, and Gisele Dallaire, our Corporate Secretary since 2014, were succeeded by welcome additions to the team, Brent Schorr and Sharon Stewart, respectively. The trustees again wish to express our gratitude to

Brenda and Gisele for their valuable contributions in helping to manage our improvement district, and to Sharon and Brent for daring to follow in their excellent footsteps.

My Colleagues--Your Trustees: As Chair for the past year, I wish to acknowledge my fellow trustees, Lenny Green and Tony Kaul, for their dedication, wisdom and common sense as we went about the general business of the improvement district. Despite increasing and sometimes onerous regulatory obligations they provided their full co-operation and respectful assistance for which I am grateful.

But sadly, we must also acknowledge that Lenny completes his term at this AGM so on behalf of all islanders I thank him for holding office for his full trustee term, and for being our parking compound manager since 2013, roles he fulfilled with integrity and good humour always. Thank you, Len.

Governance Concern: In closing, I wish to say it has been an honour to serve a second year as trustee and chair, and I look forward to the challenges of my final one. However, I must also confess that I do harbour one serious concern in regard to our future ability to continue to successfully administer our improvement district.

My concern is that the sheer number of volunteer initiatives now in place and still increasing on Piers Island may eventually overwhelm our very limited pool of willing volunteers needed for critical functions. If landowners wish to continue to receive domestic water and fire protection systems at the current level, then the improvement district must have resources dedicated to administering and operating those functions. Our low rate of taxation which funds those works depends on volunteers willing and able to do the day to day chores to operate and maintain the assets, plus handle the required governance of an improvement district. To remain self-governing we must continue to elect and appoint the six statutory positions that currently comprise our improvement district management group. And, to be successful, that complement needs reasonable presence and stability of tenure to establish and pass on experience born primarily of continuity and commitment to full terms of service. I encourage all residents to consider the ramifications of our not being able to support these governance needs when we ask for nominations later today for one trustee for a three-year term.

Sincerely,
Maureen Crooks,
Board Chair