

**PIERS ISLAND IMPROVEMENT DISTRICT
BOARD OF TRUSTEES MEETING
September 11, 2016
Location: Piers Island Fire Hall**

TRUSTEES & OFFICERS ATTENDING	Maureen Crooks, Chairperson and Water Trustee; Tony Kaul, Buildings & Land Improvements Trustee; Greg Miller, Fire Trustee; Brent Schorr, Finance Administrator; Sharon Stewart, Corporate Secretary
NUMBER OF ATTENDEES	4

OPENING MOTIONS

CALL TO ORDER	Chairperson called the meeting to order at 10:00 a.m.
APPROVAL OF AGENDA	<p><i>Copies of the Agenda were offered to attendees.</i></p> <p>The Chairperson asked for changes or additions to the posted agenda.</p> <p>Changes to the agenda were proposed and agreed to by the trustees as follows:</p> <ul style="list-style-type: none"> • Add one item under Unfinished Business: <i>"Update on Seaspam Initiative"</i> • Delete section 7 – <i>"Bylaws"</i> from the agenda as this item of business is no longer necessary. The Chair explained that the Ministry has now revoked its previous requirement that the trustees enact bylaws prior to executing all agreements with outside agencies, and simultaneously agreed that the motions approved at the previous Board meeting of July 17th suffice for the Improvement District to enter into those operating agreements. <p><i>It was MOVED AND SECONDED, "that the Agenda be approved as amended."</i></p> <p><i>No other requests or changes were raised for consideration so the motion was CARRIED.</i></p>
ADOPTION OF MINUTES	<p><i>It was MOVED AND SECONDED, "that the minutes of the July 17, 2016 PIID Board of Trustees meeting be approved as distributed."</i></p> <p><i>The Chairperson asked for errors or omissions and hearing none, the motion was CARRIED.</i></p>

REPORTS

FINANCIAL ADMINISTRATOR	<p>After distributing copies of the 2016 Operating Budget versus Actuals report and a PIID Investment Summary, the Financial Administrator provided a verbal summary of financial data:</p> <p>2016 Operating Budget Versus Year-To-Date Expenses:</p> <ul style="list-style-type: none"> • Tax Collections: Taxes remain unpaid on ten properties and those owners have been reminded by email or telephone calls. The next notice will include penalties stipulated in our tax bylaw. • Trustees agreed with a suggestion received from floor to send out a reminder before the tax deadline each year, and a similar reminder in regard to water bills.
--------------------------------	--

- Tractor rental income (currently \$3,660) will exceed the expected \$2,500 due to using the tractor to move the chipper around for the fire safety grant program. \$1,800 will be invoiced to that program for tractor use.
- \$800 of donations to the PIID/PIVFD have been received to date.
- Administration expenses to date include the unbudgeted laptop purchase and higher insurance costs so that budget may be exceeded.
- Buildings & Land Improvements Budget – no issues. Key/lock repairs were recently expensed.
- The 2016 water operating budget still includes monies to address reservoir fencing repairs and vegetation removal that now fall under the Buildings and Land Improvements portfolio.
- PIVFD: Budget appears adequate. Regular maintenance and annual certification expenses to come in shortly. The Firesafe grant program costs are being captured under the Fire Prevention expense account. (See later note re: Firesafe Grant Initiative)
- Water System: Expenses to Budget are anticipated to be close. Training expenses, additional lab costs and some minor equipment purchases are still outstanding. (Water Report, attached.)

Investments: Overall Total: \$486,200 (see attached report)

Water Meter Billings: Anticipate meters will be read in mid-October for annual billings. This year we will benchmark delivered gallons from North Saanich versus how much we bill through our individual meters to establish a database of billed versus unbilled usage.

Firesafe Grant Initiative: The total approved grant of \$10,000 is valid until December 31, 2016. PIID trustees approved payment of bills for the period until reimbursements are received from the CRD and UBCM. To-date expenses amount to \$8,634, and at least one more project is anticipated before the program ends on December 31st.

Capital Asset Management Plan: The Financial Administrator met with a Task Force member, Trevor Matthews, to discuss outstanding objectives related to the Capital Asset Management Plan. Four aspects of the overall plan were raised as topics for a working committee to address over the next year:

1. **Inventory of assets:** The inventory has been compiled but some policy guidelines could be developed to define how trustees will choose and approve asset replacements and renewals. This could entail a risk matrix to prioritize timing and the Financial Administrator offered to compile a rough matrix to be discussed with the trustees over the next month.
2. **Funding sources:** More clarity could be developed around matching replacements with fund sources, i.e., whether all assets should be replaced using capital reserve funds, or whether some should be more routinely addressed within planned maintenance budgets, sustainment funds, or even operational budgets. And if so, determine how to categorize and prepare those funding sources so they are captured to be made available when needed.
3. **Property & Liability Insurance:** Policy costs are approximately \$1,000 higher than anticipated this year due to industry increases. While assets need to be adequately insured for loss, a review of our policy will be more effective if done in concert with reviewing the other aspects of the capital asset plan over the coming year to ensure we have the proper meld of insurance coverage and planned savings for our most important assets.

	<p>4. Maintenance Schedule: The importance of having a comprehensive preventative maintenance schedule for capital assets was re-emphasized as a key factor in the success of an asset management strategy.</p> <p>Such a maintenance plan would not only ensure asset life is maximized, but would also serve as a tool to help determine the optimal time to replace or renew assets.</p> <p>The trustees briefly discussed the efforts that are ongoing to schedule costs and tasks for the fire department (most complex), and the water system. The Corporate Secretary was asked to research online materials to assist in the process and the trustees "optimistically" committed to complete the schedules over the coming year.</p> <p>A question from the floor asked whether \$50,000 of our tax money is being sent to the Islands Trust and not spent on Piers Island. The Financial Administrator reported that the number mentioned refers to monies collected annually by the Province, not the Improvement District, and that the taxes levied by the Improvement District (\$1,060) remain totally for local services. It was suggested that the upcoming public meeting with the Island's Trust group would be a likely venue for discussion of the \$50,000 remittance.</p> <p><i>It was MOVED AND SECONDED, "that the Trustees receive the Financial Administrator's Report as presented." CARRIED.</i></p>
<p>WATER TRUSTEE</p>	<p>The Water Trustee read aloud the Water Report (attached).</p> <p>A question from the floor enquired whether there was enough difference between properties in regard to water consumption to justify ever replacing the individual service meters or would a universal water toll work just as well for annual billing.</p> <p>The response was that there is a great disparity between usage by property. Prior to meters, water was billed on a seasonal property rate versus a full-time property rate but the landowners subsequently agreed to install meters on every service line to provide a fair means to match individual use to cost, to provide owners with data in regard to their individual consumption, and just as importantly, to provide an effective tool for locating service line leaks.</p> <p>A short discussion ensued in regard to the dual use of the older version of meters versus the newer digitized version and the water trustee advised this would be explored before any older version meters were purchased.</p> <p>Following discussion and further to comments made in the report regarding the formation of a select committee, the Water Trustee made, and the trustees seconded and approved, the following motion:</p> <p><i>"That the trustees approve the establishment of a Select Committee for the purpose of reviewing our domestic water supply infrastructure and making recommendations to the trustees on remediation and/or replacement of components." CARRIED.</i></p> <p><i>It was then MOVED AND SECONDED, "that the trustees receive the Water Trustee's report for filing." CARRIED.</i></p>

UNFINISHED / ONGOING BUSINESS

<p>SEASPAN INITIATIVE</p>	<p>The Buildings and Land Improvements trustee indicated there was no new information from Seaspán and indicated that he would be contacting North Saanich and the BC Ferries Corporation to independently determine their position on the Seaspán expansion.</p> <p>The trustee briefly reiterated previous information in regard to the plan proposed by North Saanich for Seaspán to develop an access road and public boat ramp on the two lots to the east of Barnacle Road. He reported that Seaspán is continuing to build docking for the bigger truck ferries but in regard to additional parking, they have suggested that if they cannot negotiate a more satisfactory use of the two lots with North Saanich, their interim fallback would be to initiate a more prohibitive storage pricing model to encourage companies to more quickly retrieve trailers from their existing parking facility.</p> <p><i>It was MOVED AND SECONDED, "that the minutes reflect a record of the discussion." CARRIED.</i></p>
----------------------------------	---

BUSINESS ARISING / NEW BUSINESS

<p>2016 ALLOCATION OF CAPITAL RENEWAL RESERVE FUNDS</p>	<p>The Chair opened the discussion of the 2016 capital reserve fund allocations by providing background to the Capital Asset Management Plan initiative.</p> <p>To set the 2016 assessment, the Board and Task Force members reviewed the plan and trustees later approved a 2% increase over the 2015 levy to address inflation. The resulting allocations for 2016 based on a 2% escalation factor, and continuing an additional levy to the PIVFD would produce the following deposits for 2016:</p> <ul style="list-style-type: none"> • Water: 2016 Deposit of \$25,206, for a total of \$222,000 • PIVFD: 2016 Deposit of \$24,556, for a total of \$102,900 • Buildings & Lands: 2016 Deposit of \$10,958, for a total of \$21,700 • Grand Total of Capital Reserve Funds at end of 2016: <u>\$346,600</u> <p>Following discussion wherein the trustees agreed that a more comprehensive 3-year review of the assets and schedule should be undertaken in 2017 in concert with insurance and preventative maintenance, and that would be the time to make structural changes to the inventory, the 2016 allocations were approved as per the following motion:</p> <p><i>It was MOVED AND SECONDED, "that the 2016 Capital Asset Reserve Funds be deposited as per the discussed schedule". CARRIED</i></p>
<p>WORK PROJECTS AT RESERVOIRS & WATER TOWER</p>	<p>The Chair noted that this item was put on the agenda to foster trustee discussion of work that is necessary in regard to the clay reservoirs and water tower.</p> <p>She noted that the 2016 Operating budget includes monies to fence around the sinkhole and damage at the upper reservoir, and to clear away vegetation from the reservoirs.</p> <p>Fencing: A resource willing to contract the chain-link fencing work has done an on-site visit and cost estimates will be received shortly. The intention is to have the work done while the level of water in the dugouts is low.</p> <p>Discussion ensued on clearing vegetation around the reservoirs and possible equipment and barge availability, especially in regard to the current plan by Transportation to barge gravel to the island during the first week of November. A short discussion centred around the third reservoir situated in the meadow behind the farm and its potential as a fire protection water supply.</p>

	<p>The Trustee for Buildings and Land Improvements will investigate whether equipment that is currently working on-island would be a possible resource for clearing the inside slopes of the dugouts, and the trustees agreed that the PIA Directors would be kept apprised of the work plan as a courtesy.</p> <p>The Water Trustee will work with the water operators on a schedule for clearing around the water tower, and noted that she will approach the Monday morning work party in regard to providing tree removal services if necessary.</p> <p>It was MOVED AND SECONDED, "that the minutes show a record of this discussion." CARRIED</p>
PREPARATION OF THE 2017 OPERATING BUDGET	<p>The Chairperson noted that this item was put on the agenda to foster trustee discussion of how to move towards a new format for the 2017 budget, which will be prepared and approved by calendar year end.</p> <p>The trustees discussed the various components that exist currently in the overall budget, i.e., Capital Asset Replacements, Sustainment/Emergency Contingency, Daily Operations.</p> <p>The need for a better demarcation between Daily Operations and Preventative Maintenance component has been identified, and the piece that is missing is the Capital Upgrade.</p> <p>The floor was opened for discussion and the trustees agreed to schedule a working meeting to provide direction to the Financial Administrator.</p> <p>It was MOVED AND SECONDED, "that the minutes show a record of this discussion." CARRIED</p>
CORRESPONDENCE	<p>The Corporate Secretary advised that there was no correspondence requiring the trustees' attention.</p>
SCHEDULE NEXT BOARD MEETING	<p>Tentatively scheduled for November 27, 2016 with December 4th as an alternate.</p>

CLOSING MOTIONS

ADJOURNMENT	<p>The Chairperson called for further business, and hearing none, the trustees approved a motion to adjourn at 11:30 a.m.</p>
--------------------	---

Minutes submitted: _____, Corporate Secretary

Approved by: _____, Chairperson and Presiding Officer