

2013 Annual General Meeting Minutes

UBID Offices – Downstairs Gymnasium
5539 S. Island Highway, Union Bay
Saturday, April 20th, 2013
2:00 PM

In Attendance

Trustees: Bruce Livesey (Chair), Anne Alcock, Carol Molstad, Cleve Goldswain and Alan Webb
Staff: Kevin Douville (Administrator), Anne Fischer
Landowners: 43 in attendance

1. Call to Order

The Meeting was called to order at 2:00pm.

2. Welcome and Introduction of Head Table

The Chair introduced the Trustees, Administrator and Auditor to those landowners present.

The Chair then explained the procedures for the meetings. It was reported that as only two candidates submitted nomination papers to the Administrator prior to the publicized 12 noon deadline on March 30th, the two Trustees positions up for election this year have been filled by acclamation. As a result, no formal election process is to be undertaken as part of this meeting. The meeting will therefore follow the agenda as presented, however it was reminded that this is the landowners' meeting and therefore other agenda items can be put forward and then the landowners are required to approve the finalized agenda.

3. Approval of the Meeting Agenda.

Motion 2013-04-20-01: To Approve the Meeting Agenda as presented.
RMS CARRIED

4. Minutes of the Annual General Meeting held on April 21st, 2012 for Adoption

The Administrator reads out the Minutes of the meeting.

Motion 2013-04-20-02: To Approve the Minutes of the Annual General Meeting held on April 21st, 2012 as presented.
RMS CARRIED

5. Reports

a. Chairperson's Report

Trustee Bruce Livesey presented his Chairperson's Report as attached.

b. Administrator's Report

Kevin Douville presented his Administrator's Report as attached.

c. Finance and Capital Planning Committee Report

Trustee Livesey commented that as Chair of the Finance and Capital Planning Committee he is extremely pleased with UBID's overall financial position following the recently completed audit for 2012. He is also happy with the direction the Board has taken in ensuring that appropriate and committed resources are being contributed to our capital reserve funds. Lastly, he thanked June Haner, Pam Moughton and Pam Ramsay for their participation and contributions to the Committee over the past year.

d. Audit Annual Financial Statements for the year ending December 31st, 2012

Cory Vanderhorst, CA of MNP LLP presented the UBID Audited Financial Statements for fiscal year ending December 31st, 2012. An electronic copy of the approved statements has been posted to the UBID website (www.union-bay.ca) so that all landowners and residents can subsequently review them at their convenience.

e. Public Works Committee Report

Trustee Goldswain reported that no major problems or leaks have occurred over the past year with respect to our waterworks infrastructure. All works came in on budget and no major projects planned at this time. Our Public Works Superintendent Dan McGill and Public Works Technician Keith McKay continue an ongoing regiment of line flushing and ensuring the dam and reservoir remain in good shape. Water quality remains consistent and pretty good. He thanked all the community volunteer members of the Public Works Committee for their efforts over the past year.

A question from the floor was raised in reference to the number of current connections on UBID's system and the average number of new connections each year. The Administrator reported that presently UBID manages 651 connections, with an estimated 2 – 4 new connections each year based on past years' results.

f. Fire Rescue Committee Report

Trustee Molstad presented the Fire Rescue Committee Report as attached.

g. Water Filtration Project Report

Trustee Webb presented the Water Filtration Project Report as attached.

A question from the floor was raised in reference to KIP and the recent "tie-in" to the coal hills clean-up and whether this will prevent the project going ahead.

Trustee Webb commented that although we as yet have no specific details, it is our understanding that BC Treasury Board is dealing with it, although the provincial election campaign has resulted in a temporary hiatus in getting this done. These discussions centre largely around who ultimately assumes the perpetual responsibility for the required remediation of the site. The Board has scheduled a meeting with Brian McMahon in the next few weeks during which time this and other issues related to KIP will be discussed.

A further question from the floor requested clarification with respect to the timelines for water treatment. Trustee Webb noted that if UBID wishes to submit a request to VIHA for deferral of water treatment, then we have to submit the appropriate studies and assessments to them prior to November 1st, 2013. If such a deferral request were to be declined, then we would be required to provide VIHA with detailed drawings and plans for water treatment by September 30th, 2014, with a facility to be constructed and operating by December 31st, 2015.

6. Refreshment Break

The refreshment break commenced at 2:55pm and the meeting resumed at 3:10pm.

7. Annual Trustee Elections

The Administrator noted that this time has been allotted in order to provide both candidates, who were elected by acclamation as Trustees as mentioned at the start of the meeting in the Chair's opening remarks, the opportunity to speak to the landowners and others in attendance for two minutes each. He also provided a brief overview of the current election process, which is based on the Election policy which was introduced and passed in February 2012 and utilized for the first time as part of the 2012 elections.

As a result, a Trustee nomination process was undertaken in early March, with notices provided in both local newspapers, on the UBID website and on the front door of the UBID admin office. The deadline to file nominations for the two Trustee positions up for election this year was set for Saturday, March 30th at 12noon. Only two sets of nomination papers were filed ahead of this deadline and therefore as Chief Electoral Officer I declared both of the candidates, incumbent and current Board Chair Bruce Livesey and newcomer Marie Gaudreau, elected by acclamation. A press release was then subsequently published in the Comox Valley Record, the Comox Valley Echo and on our website for the landowners' and general public's information. Notification was further provided and posted at a number of the usual conspicuous locations around the community as part of the AGM meeting notice. As a result, no formal election process is to be undertaken at the AGM however both of the newly elected Trustees will now be provided a couple of minutes to speak to those in attendance.

The two new Trustees, beginning with Bruce Livesey and then Marie Gaudreau were each given the floor for up to 2 minutes.

8. New Business

a. Fire Services Review Report Presentation

Trustee Molstad conducted a Power Point presentation on the recently completed Fire Services Review report and its recommendation. A couple of this presentation will accompany these minutes, with copies of the full report available at the UBID office and on the home page of the UBID website.

Questions from the floor included:

- Is there a possibility that the province could provide a portion of traffic fine/violation revenues to be allocated to help support the costs of local firefighting and first responder services? It was noted that the majority of the calls the Fire Service receives (65%) are not actually attributable to motor vehicle accidents but rather for in-home medical issues or first response. Regardless, it is unlikely that obtaining a portion of such revenues is a realistic option.
- Has any progress been made with respect to the status of the school property and whether this could be sold off with some or all of the proceeds going to support the fire service's capital needs. It was reported that this issue is the next item for discussion on the agenda, however due to uncertainties that remain as to how the legal action will conclude, any such contributions from a potential sale of the school property has not been included in the capital planning projections for the fire service.
- What is the potential of sharing resources with neighbouring districts such as Ship's Points and Fanny Bay in order to split and reduce some of the costs of providing fire rescue services and perhaps to create a services hub to support all of our areas? It was noted that if a fire hall is outside of a 7 mile radius of the community then this would greatly impact individual landowners' insurance rates and therefore few if any savings could result by consolidating in this way. Very preliminary discussions have taken place with Ship's Point, Fanny Bay and Bruce Joliffe however we are unsure as to where such subsequent talks might lead. Collaboration and/or sharing of services/costs are certainly trends we have seen developing across the country and elsewhere over the past few years and therefore that we're watching.

- Does the average per household allocation through property tax that's been quoted in the report provide contributions to our other capital projects as well (i.e. waterworks) or is that specifically for the fire service? The contributions identified here only pertain to fire services as property taxes can only be used for fire protection and street lighting. This means that we still need to also address how we fund our long-term waterworks infrastructure needs and priorities which we intend to begin focusing on as part of the Public Works Capital Planning process later on this year. Kensington remains the largest unknown that we will need to consider as part of that process.
- Does UBID have any plans or designs with respect to a new fire hall building which lead to the estimated \$2M price tag? Not at this time, however when a new facility was discussed approximately four years ago the projected costs at that time were \$2M and therefore that is the number we are starting with at this point. This amount also appears to be a fair average of what other jurisdictions have been paying for their new fire hall sites, Oyster River for example. A possible design and community consultation process has been outlined in the report.

b. UBES Property Title Issue

Trustee Livesey provided a brief update to landowners on the state of title of the old school building and property where we are meeting today. There has been much confusion and questions asked regarding the purchase of this property in 2007.

Speaking briefly, in 2007 UBID offered to purchase the former Union Bay Elementary School property from School District #71, through the alternate approval process, for \$675,000. Upon receiving land owner approval the Board made a \$175,000 down payment on the property from reserve funds and secured a mortgage for the balance, approximately \$500,000.

After the purchase completed UBID became aware that a significant portion of the property was subject to a condition under the School Act limiting the use of that portion of the land "for educational purposes only".

Since becoming aware of this issue, the Board has met with the local MLA, various provincial government ministries our solicitors and others in an effort to have that condition removed. We were advised by the province that they have no means to fix the problem therefore they would not initiate any action.

Since the property was originally purchased as an asset for our administration offices and a new fire hall, which cannot be done under this trust condition, the value of the property is seriously compromised.

Therefore after careful consideration over the past months, on the advice of our solicitors the Board determined that legal action was the most appropriate way to resolve the issue. Accordingly, our lawyers have filed with the courts Notices of Civil Claim against the Board of School Trustees of School District No. 71 (Comox Valley) and Margot R. Rutherford, operating as Margot R. Rutherford Notary Corporation.

UBID is claiming the following relief (amongst others):

- Reimbursement of the purchase price of \$675,000
- Fees, interest, financing and insurance charges
- Taxes, costs and fees related with conveyance
- Costs for improvements, renovations and maintenance, and
- Loss of the increased value of the property

As with any legal action the outcome is not guaranteed however the Board and our solicitors believe we are in a strong position.

Margot Rutherford's legal counsel has responded to our claim and we are now waiting for a response from the School District and ultimately our lawyer as to how to proceed further.

Questions from the floor included:

- Has UBID's legal counsel advised on how long this process is estimated to take? We were hoping to receive the School District's formal response to our Notice of Civil Claim prior to yesterday however we are expecting to have that shortly. As far as how long this action could take, we just don't know at this time.
- Which property is being referred to with respect to the notation? The property on which the school actually sits on is the one that has the trust condition on it, however as the original parcels of land were consolidated many years ago into the property that now exists today, the notation resides on the sole title which covers the entire property.
- How much is the Board prepared to spend on this legal action and has a ceiling been set that the Board is willing to go beyond. Although a ceiling has not been set at this time, we do have surplus funds from last year, slightly in excess of \$100,000, that we are setting aside to assist with any applicable legal costs.
- When does the Statute of Limitations expire with respect to the original purchase of the property and is this why legal action is being taken now? The Board was running out of time if it was going to initiate any form of legal action in regards to this issue as the Statute of Limitations would have expired in the latter half of October this year.

- If UBID is successful and it recoups the original purchase price and other its other costs and further the ownership of the property title reverts back to the School District, where does UBID intend to relocate its Administration offices as going back to the Fire Hall can no longer be suitable? A plan B has not been developed as yet although we will be discussing options soon.
 - If the Board had decided to do nothing, who or which agency would actually come in and enforce this covenant as it appears that the province and the School District aren't prepared to do that? Although that is of course highly unlikely, I don't believe the community want this hanging over its head for the next twenty or thirty years and we also have to be cognizant that although we are leasing other portions of the building now, once the Credit Union moves out its Administration offices the building becomes way to big and cost prohibitive solely for our needs. The CVRD is also aware of the title situation and therefore we would be prohibited from entering into any other similar lease arrangements.
 - Other general discussion took place with further updates to be provided to the community as soon as we are in a position to do so.
- c. Trustee Remuneration Review Committee – Request for Volunteers

A request was put forward for up to three volunteers to sit on a Committee tasked with reviewing the current Trustee remuneration and to then make recommendations at next year's AGM. The landowners have the ability and responsibility to set and approve the compensation provided to Trustees and it is therefore required that we undertake such as process once every two years. (Such a review was done and recommendations made last year.)

Landowners Tom Dereniwski and Barb Cassack agreed to be on this committee.

9. Acknowledgements

The Chair and those in attendance acknowledged outgoing Trustee Cleve Goldswain for his dedicated service to the community over the past three years.

The meeting was declared adjourned at 4:12 PM

Bruce Livesey, Chair

Kevin Douville, Administrator