

Union Bay Improvement District
Regular Board Meeting Minutes
Union Bay Improvement District Boardroom
June 15, 2011
4:30 p.m.

Meeting called to order at 4:28 p.m.

Attendants: Carol Molstad (Chair), Anne Alcock, Cleve Goldswain, Bruce Livesey, Anne Fischer (recording).

Regrets: Alan deJersey

1. The agenda was presented and amended by changing item 4.c. to "deal with personnel and legal matters", adding item 6.e."Legal Report" and item 7.d. "Asset Trade".

MOTION: 2011-06-15-01

RMS To accept the agenda for June15, 2011 as amended.

CARRIED

2. Petitions and delegations – none scheduled.
3. Approval of minutes
 - a. Regular Board Meeting Minutes of May 25, 2011.

An error in the numbering of the motions occurred.

Motion: 2011-06-15-02

RMS To approve the Board Meeting Minutes of May 25, 2011 as amended.

CARRIED

4. Report from "In-Camera" Meetings and Business arising:
 - a. Regular Meeting May 25, 2011
 - i. UBID – KIP Water Agreement: CVRD approval of the Agreement is required before KIP can proceed. . KIP and CVRD lawyers are addressing the matter.
 - ii. Transfer of water license – CVRD: The draft Agreement to transfer the water license to the CVRD has been discussed at the "In-Camera" meeting June 1, 2011. The Board has sent a letter to the CVRD explaining they require some time to familiarize themselves with this issue and are willing to negotiate an Agreement in principle. The Board of Trustees will meet Bruce Joliffe, Area "A" Director, on June 28, 2011.
 - b. "In-Camera" meeting June 1, 2011 to deal with personnel and legal matters:
 - i. Appointment of Volunteer Community Participants for Finance and Capital Planning Committee - Bruce will report under section 6c.

- c. "In-Camera" meeting June 15, 2011 to deal; with personnel matters:
 - i. 3 Volunteer Community Participants have been appointed to the Public Works Committee - Cleve will report under section 6b.
 - j. Landowner sues the UBID for an issue around Capital Development and water hook-up costs. The Insurance assigned a lawyer for UBID's defense.
- k. The board brought forward a letter from the Freedom of Information and Privacy Commissioner: 2 e-mails were sent in December by the Administrator to 2 lawyers and all Trustees. Attached to those e-mails was the Oath of Confidentiality which included dates of birth and SIN #'s. This information should have been severed from the e-mails. UBID is not entitled to disclose this personal information. Complaint was filed with the Privacy Commissioner's Office and recommendations were accepted by the Board.
- l. Brenda will be returning to work June 16, 2011.

5. Correspondence

- a. Barnes Craig, adjuster for small claims (Reynolds case), explained the Insurer (AON Reed Stenhouse) will reserve their rights to deny coverage because of late notification.
- b. AON Reed Stenhouse, the Insurer for small claims, have decided to cover UBID in the above case. Total expected costs to be \$5,000; UBID's deductible would be \$2,500.
- c. The Board accepted in writing Mrs. Edda Grant's request to withdraw from the Remuneration Committee.
- d. Information from the Administrator of Deep Bay about a Group Proposal for External Auditing Services to obtain more competitive proposals.

Motion: 2011-06-15-03

RMS To participate in the Group Request for Proposal for External Auditing Fees.

CARRIED

- e. The Board explained to Mrs. Jane Jenssen, in response to a question regarding appeal of capital expenditure charges, that once the bylaw is proclaimed and the fee is established there is no further appeal process; the capital expenditure charges are by law required to be set aside for capital infrastructure; they are highly regulated and cannot be used for operating costs.
- f. Barnes Craig, adjuster for small claims (Bams case), explained the Insurer (AON Reed Stenhouse) will reserve their rights to deny coverage because of late notification. The case was initiated September 2010 and the Insurer was notified May 27, 2011. Nevertheless, the Insurer has appointed a lawyer for UBID's defense. UBID's deductible would be \$2,500.

- g. Rob Rounds Community Consulting Services was engaged to observe the meeting process at the AGM April 30, 2011. For the summary of his comments and observations he invoiced the UBID for \$318. Discussion regarding the value of the report.

Motion: 2011-06-15-04
RMS To contact Rob Rounds Community Consulting Services to negotiate the invoice and possibly reduce the fee.

CARRIED

6. Reports

- a. A. Alcock presented the Fire/Rescue Report. The Committee will reinstate monthly meetings. 3 First Responder, 3 Motor Vehicle incidents and 1 Ambulance Assist have been reported. Fire ban was discussed; there is a \$365 fine for non-compliance. The new fire truck was picked up June 15, 2011. The Fire Chief recommended to trade the 40ft. sea container for 6 Scott SCBAs and 6 aluminum bottles (value: \$3,600) with Oyster River Fire Department.

Motion: 2011-06-15-05
RMS To accept the Fire Committee Report as presented for information.

CARRIED

- b. C. Goldswain presented the Public Works Report. The overflow has stopped and the spillway will be cleaned when dry, Langley Lake's water level of 12.5 ft. was recorded, Turbidity levels are at 0.73 in and 1.05 out, chlorine level at 1.05 ppm, all water samples for April were negative, the new aluminum tank lid at McLeod reservoir has been installed and can be operated by one person.

The Board appointed Jeanne MacGrotty, Allan Webb and Bill Ellis as community members of the Public Works Committee.

Motion: 2011-06-15-06
RMS To accept the Public Works Committee Report as presented for information.

CARRIED

- c. B. Livesey presented a draft summary report of the Financial Situation.

The Board appointed Pamela Ramsay, Pam Moughton and Gordon Hood as members of the Finance and Capital Planning Committee.

Motion: 2011-06-15-07
RMS To accept the financial draft Report as presented for information.

CARRIED

C. Molstad informed the public that the Board is working closely with Ken Carter, Acting Administrator to achieve more knowledge of the financial situation of the UBID.

- d. Survey Report – C. Molstad reviewed a summary report of the water survey questionnaire circulated in April 2011. 12% of the landowners returned the survey questionnaire; response rate for each choice is relatively similar and no clear opinion is evident. Recommendation by C. Molstad: UBID receive the survey for information only.

Motion: 2011-06-15-08
RMS The UBID receive the survey for information only.

CARRIED

Motion: 2011-06-15-09
RMS To publicize the survey results on UBID's website.

CARRIED

- e. Legal Report: Small Claims Case with Mrs. Reynolds was dismissed June 6, 2011. UBID's deductible \$2,500. The lawsuit before the Supreme Court (also Mrs. Reynolds) has been transferred to Staples McDannold Stewart; another Hearing will be held June 28, 2011.

7. New Business

- a. Board Committee – Advisory Committee to the Board. Adoption of the Draft Terms of Reference – Bylaws, Policies and Procedures.

Motion: 2011-06-15-10
RMS To adopt the Terms of Reference – Bylaws, Policies and Procedures Standing Committee as circulated.

CARRIED

Motion: 2011-06-15-11
RSM To appoint C. Molstad to chair the By-Laws, Policies and Procedures Committee.

CARRIED

The Terms of Reference – Bylaws, Policies and Procedures shall be posted on UBID's website.

- b. Financial issue – To address a cash flow issue, the Board considered using term deposits for bridge funding until the second installment of property taxes is received from the Province in July. \$50,000 was approved for transfer to the Operating Account earlier this year and \$20,000 of that amount was not transferred before May 1, 2011. A term deposit of \$45,000 was transferred on June 4, 2011 with the intent that \$20,000 of that represents the final portion of the earlier by-law for \$ 50,000. Once the provincial payment is received UBID will repay the remaining \$25,000 to reserves.

Motion: 2011-06-15-12

RMS To transfer the Term Deposit of \$45,000 to the Operating Account and to repay \$25,000 to the Reserve Fund.

CARRIED

Recommendation by the acting Administrator Ken Carter to transfer GIC #41 (\$40,218.68) to the Operating Account as bridge funding due to the pending postal strike. Once funds are received the reserve fund will be reimbursed..

Motion: 2011-06-15-13

RMS To transfer the GIC #41 in the amount of \$40,218.68 to the Operating Account for bridge funding.

CARRIED

- c. Strategic Planning Workshop – C. Molstad recommended holding a one-day Strategic Planning Workshop.

Motion: 2011-06-15-14

RMS To hold a one-day Strategic Planning Workshop on July 9, 2011.

CARRIED

- d. Asset Trade – Recommendation from the Fire/Rescue Committee to trade the 40ft. sea container for 6 Scott SCBAs and 6 aluminum bottles (value \$3,600) with Oyster River Fire Department.

Motion: 2011-06-15-15

RMS To authorize the Fire Chief, to trade the 40ft. sea container for 6 Scott SCBAs and 6 aluminum bottles (value \$3,600) with Oyster River Fire Department.

CARRIED

8. Summary of questions from the audience

Q: Why is UBID's Board Meeting held at 4:30 p.m. and not later?

A: The question/suggestion will be brought forward to the next Board Meeting.

Q: Will property taxes increase to pay off some debts? How close are we to bankruptcy?

A: We are not close to bankruptcy; we do have challenging decisions ahead of us and may be looking at selling some assets or taking a short term loan. The 2 Term Deposits which have been transferred to the Operating Account are part of the Contingency Funds. In the legal costs UBID is \$16,000 over budget between Public Works and Fire/Rescue; the legal costs UBID is expecting for the rest of this year is unknown.

Q: Is there enough cash flow to pay the legal fees and how much will they be?

A: Cash flow will iron itself out during the summer. In the beginning of the year UBID always receives \$100,000 tax advance from the Province and \$302,000 in July. One cannot predict the amount of the Legal fees – as an estimate we think they could be about \$100,000.

Mrs. Reynolds reported that the court case scheduled for June 28, 2011, is about an application being made to take the UBID off the case; so the case would be between her and the individual plaintiffs.

9. Meeting Adjourned at 6:45 p.m.

Next regular Board Meeting July 20, 2011.

Carol Molstad, Chairperson

Anne Fischer, recording