

**COMMITTEE OF THE WHOLE MEETING OF THE COUNCIL
OF THE VILLAGE OF LIONS BAY
HELD ON MONDAY, JULY 5, 2010 at 1:00 PM
IN THE COUNCIL CHAMBERS, 400 CENTRE ROAD, LIONS BAY**

MINUTES

Present: Mayor Brenda Broughton
Councillor Peach Akerhielm
Councillor Joanne Ronsley
Councillor Ruth Simons
Councillor Gordon Taylor
Village Manager Rory Mandryk
Treasurer Anne-Marie Koiner
Office Manager Jeff Dann
Accounting Clerk Hayley Cook (recording)

Regrets: Public Works Manager Chuck Partridge

1. Call to Order

Mayor Broughton called the Committee of the Whole Meeting of July 5, 2010, to order at 1:03pm.

2. Approval of Agenda of the Committee of the Whole Meeting of July 5, 2010

Resolution

Moved by Councillor Taylor
Seconded by Councillor Ronsley

Resolved that: Council approve the Agenda of the Committee of the Whole Meeting of July 5, 2010 with the following additions:

- 5A** Secondary Suites – Brunswick Beach Zoning (Sub Heading)
- 6D** Tennis Court Upgrade

3. Delegations

- A.** Bill Cox, Auditor from BDO Dunwoody

Bill Cox advised that BDO Dunwoody is now called BDO Canada.

Mr. Cox made a presentation of the Village's audited statements.

Mr. Cox advised of a couple of things he wanted to draw attention to:

- 1 - The Financial Statements and presentation should have been completed by June 30, 2010
- 2 - The Audit Report has one additional paragraph; it is a clean audit except for one paragraph; Tangible Capital Assets. This is a new project for 2009

Mr. Cox advised that the Village did not complete the project by June 30, 2010; the sub-contractor responsible for completing the project was not ready.

Mayor Broughton inquired who the contractor was. Mr. Cox advised Council that Robin Hicks was responsible for completing the Tangible Capital Assets Project. Mayor Broughton suggested that it is not possible he would be the contractor for the project.

Mr. Cox advised that Mr. Hicks had started the project while employed by the Village of Lions Bay and when he left on April 30, 2009, he had advised it was 95% complete and he would complete the project.

Mayor Broughton suggested the meeting move In Camera.

Councillor Akerhielm asked if the Village of Lions Bay had agreed to hire Mr. Hicks.

Village Manager Mandryk advised that Mr. Hicks was commissioned by the Village to complete the work by a certain date. He also advised that Lions Bay is not the only community to have not met the deadline and that it has been a challenge to meet this requirement.

Resolution

Moved by Councillor Akerhielm
Seconded by Councillor Taylor

Resolved that: Council move In Camera to discuss matters.

Carried...

Resolution

Moved by Councillor Taylor
Seconded by Councillor Ronsley

Resolved that: Council revert to open meeting

Carried...

Councillor Simons asked which other municipalities in the surrounding area were filing late.

Mr. Cox advised Council that Whistler, Squamish and Pemberton are all filing late. He has heard that at least 30% of municipalities will be filing their Tangible Asset Report late and will receive the qualification of the Tangible Assets paragraph.

Mayor Broughton inquired if the Municipal Finance Authority has made any provisions for the 30% who will not be meeting the June 30 deadline.

Mr. Cox advised that the Municipal Finance Authority have discussed the issue with investors in New York and have been told the bond rating will not be affected by having a qualification on Tangible Capital Assets and therefore the preferential interest rates the Municipal Finance Authority receives, should not be affected.

Mr. Cox advised Council that he and Treasurer Koiner would be completing the project by December of this year.

Mr. Cox advised there are a few numbers he would like to bring to Councils' attention, as some of them look different from how they have in the past:

- Page 3 - Accumulated Surplus - \$10,561,268. This is not the actual surplus as it includes non-financial assets previously expensed. The surplus is not money you can spend.
- Net Financial Assets - \$997,602 – this figure is what would be left over after cashing in investments and paying off debt.
- Reserve Funds – \$997,989 – matches the previous figure. Mr. Cox advised this figure is healthy but not too healthy, which is where it should be.

Councillor Simons asked if there is a guideline or standard about where we should be. Mr. Cox advised that it depends where in the infrastructure cycle the municipality is, and that the key is to have a good policy for replacing infrastructure.

Councillor Simons inquired why there is a difference in the Assets figure and was informed by Treasurer Koiner that the UV Reactor project had not quite been finished at the end of 2009.

- Page 4 is in a new format – concise and readable. The Statement of Operations now looks like that of the private sector.
- The Annual Surplus looks like we over budgeted but in fact, this is due to the new format in which the Capital assets are written off over the life of the asset, not all at once as an expense, as they were previously. Mr. Cox advised that this makes good theoretical sense but will change the way we look at budgets.

Mr. Cox suggested that the Village do the budget on the same basis as the financial statements, with a section at the bottom that reconciles to zero.

Mayor Broughton suggested that the numbers as they stand look unrealistically good and she would like to have a way of reading it to look more realistic. Mr. Cox advised that a document needs to go with the Financial Statements, in order to summarise the report to show residents what the numbers actually mean. In the future, the final number would include depreciation of the assets and would therefore look more realistic.

Council and Mr. Cox discussed the ethics of pre-taxing for potential expenses and the responsibility of being prepared for these expenses. Mr. Cox feels that the new system will give Municipalities a better understanding of their financial position and his only concern is the communication piece that needs to go out with the new financial statements to explain the new figures to residents.

Treasurer Koiner advised that Council take the statements away and read over. The discussion regarding them is to go onto the agenda for the Committee of the Whole and Regular Council Meeting on July 19, 2010.

Mr. Cox requested that Council look at the BDO Canada Audit Results and Communications document. Mr. Cox drew attention to a number of sections where BDO had made comments and explained some of the differences. Mr. Cox advised that if they ever contact a supplier who reports something different from the Village, the third party is always assumed correct, which may not be the case. He advised that differences could be due to a late invoice and at some point, it is not worth changing your books.

Mr. Cox suggested that the auditors are not there to perform consulting but they do make recommendations to management. In terms of accounting, they have made suggestions regarding some tweaks to improve segregation but Mr. Cox advised that to have perfect segregation you would need 12 people in the office.

Treasurer Koiner advised that all the people who have access to MAIS on their computers have been trained to use it.

Mayor Broughton expressed thanks to Mr. Cox for his informative presentation.

4. Adoption of Minutes of the Committee of the Whole Meeting of June 21, 2010 Resolution

Moved by Councillor Taylor
Seconded by Councillor Akerhielm

Resolved that: Council adopt the Minutes of the Committee of the Whole Meeting of June 21, 2010.

5. Unfinished Business

A. Secondary Suites
i) Brunswick zoning

Councillor Akerhielm advised there are a few areas to be discussed:

- Review of Zoning Amendment Bylaw
- Discussion of Secondary Suite Policy
- Information presentation on Brunswick Beach Zoning
- Bylaw Enforcement Notice with Fines

Councillor Akerhielm advised that she and Councillor Ronsley have gone through the suggestions given at the Public Hearing and from Councillor Simons and have incorporated those that seemed reasonable. Councillor Akerhielm presented these changes.

Mayor Broughton suggested that the word “not” be underlined in Section 6.2 xi 2,3,7,9 and 10.

Council discussed the definition of a “family” and whether the definition in the Zoning Amendment should be different from the definition in the Bylaw. Council decided to keep the definitions as they are.

Council debated the clause proposed in the Zoning Amendment Bylaw that an owner must occupy the house in order to rent out a Secondary Suite. It was suggested by a resident that this clause would be easy to challenge, but Councillor Akerhielm advised that the lawyer had not flagged it. The Enforcement Bylaw will be discussed in more detail at the Regular Council Meeting. Councillor Simons asked if the question regarding owner occupancy was specifically asked of the lawyer and was informed it had not.

Councillor Akerhielm suggested that these details can be worked out later and any changes to the Enforcement Policy do not need to be finalised until July 19.

Mayor Broughton advised that her concern about policy is that it can be changed without a public hearing. The issue was raised at a public hearing and as such, should be dealt with now. Councillor Simons suggested that there is no rush to pass this right away and that the Zoning Amendment Bylaw should reflect the intent of Council.

Councillor Ronsley agreed that the Bylaw should reflect the intent of Council, but suggested that Council has done their due diligence and have incorporated the changes residents have suggested. She suggested that they must trust staff to enforce the policy and that it is time to move forward. This is the deadline Council have always had for the third reading of the bylaw.

Resolution

Moved by Councillor Akerhielm
Seconded by Councillor Taylor

Resolved that: the wording is to stay the same in 6.2 xi item 4

Discussion continued regarding the Bylaw. Councillor Ronsley expressed that she would like to go forward with the confidence of Council. Councillor Akerhielm asked for the motion to be brought back.

Carried... 3 votes to 2

Councillor Simons and Mayor Broughton opposed the motion.

Council continued to discuss the Zoning Amendment Bylaw, in particular the definition of a “single family dwelling”. Council discussed whether the definition would apply to existing Secondary Suites. Village Manager Mandryk suggested it would be un-enforceable.

Councillor Akerhielm advised that the policy does not propose going after existing Secondary Suites to make them upgrade to be up to British Columbia Building Code. The lawyer has been clear that existing Secondary Suites will continue to be illegal.

- Draft Policy of Enforcement and Administration

Council discussed the few buildings detached from the principle building that may currently be rented out as existing Secondary Suites and the residences that have more than one suite in them. Council agreed to Grandfathering existing detached Secondary Suites but legislate that there be no new ones. Council agreed to leave in the Bylaw that there is to be only one Secondary Suite in a residence and that this would be enforced on a complaint only basis by using existing Bylaws about Parking and the Good Neighbour Bylaw, if possible. Village Manager Mandryk advised only complaints in writing are followed up.

Council discussed the lawyer's comment that a clever developer may try to sub-divide because of the new Zoning Amendment. It was decided that the Building Inspector would be able to deal with this should the situation arise.

Councillor Simons brought up the life safety hazards as another area that needs to be discussed. Councillor Akerhielm advised that the Village's lawyer had suggested the wording for this clause in the Bylaw and that under the British Columbia Building Code; the Building Inspector has some latitude for compliance for existing Secondary Suites.

Village Manager Mandryk tabled the reply from Mr. Murdy, the Village's lawyer regarding Secondary Suites.

Council agreed that education needs to start sooner rather than later to advise residents who have existing Secondary Suites on how to bring their Suites up to Code and be safe. Councillor Simons suggested that having to comply could have huge cost implications. Grandfathering the existing Secondary Suites would mean that the Village would not demand compliance to the current British Building Code.

Councillor Simons expressed her concerns regarding charging a surcharge on existing Secondary Suites and asked what benefit the Village would gain from charging a surcharge on Secondary Suites as it would not create enough revenue to offset the costs to the Village. Councillor Akerhielm advised that the surcharge is not excessive and the costs to the Village have been looked at along with the possible revenues.

Mayor Broughton suggested this discussion should continue in the Regular Council Meeting.

Councillor Akerhielm suggested to Council that they review the schedule of fines and give feedback. This will be brought back to the Council Meeting on July 19, 2010.

Council to discuss Brunswick Zoning at the Regular Council Meeting.

6. New Business

- A.** Respectful Communication
- B.** Communication Report - Move to Regular Council Meeting
- C.** 5 Unrelated People Living in One House Hold

Councillor Akerhielm advised there is no current bylaw procedure to deal with this bylaw and Village Manager Mandryk advised that there have been no complaints regarding the bylaw.

D. Tennis Courts – Move to Regular Council Meeting

7. In Camera

Resolution

Moved by Councillor Taylor
Seconded by Councillor Akerhielm

Resolved that: Council move In Camera to discuss matters.

Carried...

8. Adjournment of Committee of the Whole Meeting of July 5, 2010

Resolution

Moved by Councillor Taylor
Seconded by Councillor Akerhielm

Resolved that: Council adjourn the Committee of the Whole Meeting of July 5, 2010 at 4:13pm.

Carried...

Mayor

Village Manager