



**DISTRICT OF HIGHLANDS  
MINUTES OF COUNCIL MEETING**

**Monday, March 19, 2018 @ 7:00 pm  
SCHOOL HOUSE, 1589 MILLSTREAM ROAD**

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**PRESENT:**

Mayor  
Councillors

Ken Williams  
Leslie Anderson  
Gord Baird  
Karen Burns  
Marcie McLean  
Karel Roessingh

**ABSENT**

Councillor

Ann Baird

**IN ATTENDANCE:**

Chief Administrative Officer  
Corporate Officer  
Planner  
Public

Loranne Hilton  
Tina Neurauter  
Laura Beckett  
7 members

**1. APPROVAL OF THE AGENDA**

**MOTION:** 081 / 2018  
**MOVED BY:** COUNCILLOR ROESSINGH  
**SECONDED:** COUNCILLOR MCLEAN

That the agenda be approved.

CARRIED

**2. PETITIONS AND DELEGATIONS**

Mr. Bob McMinn addressed Council and spoke in favour of the trail location regarding DP-11-17.

**3. ADOPTION OF MINUTES**

a) Council – March 5, 2018

**MOTION:** 082 / 2018  
**MOVED BY:** COUNCILLOR MCLEAN  
**SECONDED:** COUNCILLOR ROESSINGH

That the Council minutes of March 5, 2018 be adopted.

CARRIED

b) West Shore Parks and Recreation - February 8, 2018

**MOTION:** 083 / 2018  
**MOVED BY:** COUNCILLOR MCLEAN  
**SECONDED:** COUNCILLOR GORD BAIRD

That the West Shore Parks and Recreation minutes of February 8, 2018 be received.

CARRIED

**4. REPORTS OF COMMITTEES AND COMMISSIONS**

- i) Councillor Leslie Anderson
- ii) Councillor Ann Baird
- iii) Councillor Gord Baird
- iv) Councillor Karen Burns
- v) Councillor Marcie McLean
- vi) Councillor Karel Roessingh

## vii) Mayor's Report

**Wed. Mar. 7, 2018 CRD Finance Committee**

The Finance Committee heard an Audit Planning Report from Lenora Lee (KPMG) that we received for information. We also heard a grants update that included the following new grant opportunities:

**1. New Grant Opportunities Announced Since the Last Grants Report**

- *2018 Community Energy and Climate Change Initiatives*: A compilation of funding programs that support local government in energy planning, energy efficiency measures, renewable energy projects and sustainable transportation initiatives
- *Energy Innovation – Smart Grid, Energy Efficient Buildings and Emerging Renewable Power Program*: The program provides up to \$200 million to expand the portfolio of commercially viable renewable energy sources available to provinces and territories as they work to reduce GHG emissions from their electricity sectors

The Finance Committee heard an update from CFO Nelson Chan on the 2018 Provincial and Federal Budgets as there are a number of impacts that will flow through to all local governments.

**Highlights of Federal 2018-19 budget released February 27, 2018:**

Budget will not be balanced until 2022 (5 years out). Ironically every federal budget released in the last 5 years is balanced 5 years out. Cumulative deficit in 2022 is projected to be \$12.3B.

Gender Equality was a prominent theme in this year's budget. In the Liberals' first budget, in 2016, the word "gender" appeared twice. This time around, "gender" was used 358 times. To this effect the budget highlights upcoming pay-equity legislation for employees in the federal government and federal-regulated sectors. Unfortunately there are no details on the plan. However, the pay-equity legislation, is expected to be included in the budget bill. Proposing \$1.2-billion over five years to create a new five-week incentive for new fathers to take parental leave. The Employment Insurance Parental Sharing Benefit would increase EI parental leave to a maximum of 40 weeks in cases where the second parent agrees to take at least five weeks off. The benefit would also be offered to adoptive and same-sex couples and will be made available starting in June, 2019. The federal Government is bringing forward amendments to the Parliament of Canada Act, to enable Parliamentarians to take maternity and parental leave. The expectation is this will apply to local governments as well – where elected officials can take maternity and parental leave vs leaves of absence.

Housing - Rental Construction Financing Initiative - increasing the amount of loans provided by the RCFI from \$2.5 billion to \$3.75 billion. Funding is intended to support projects that address the needs of modest- and middle-income households in expensive housing markets.

The new Canada Workers Benefit – designed to increase the take-home pay of low-income workers. Takes effect in 2019 and is essentially a "more generous" and "more accessible" version of the Working Income Tax Benefit. A single parent or couple earning \$25,000 a year could receive as much as \$717 more from the program in 2019 than in 2018.

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First Nations - proposing to invest \$447-million over five years to create a new Indigenous Skills and Employment Training Program. The program, will replace the Aboriginal Skills and Employment Training Strategy. The budget also proposes more than \$1.4-billion over six years for First Nations child and family services. Additional \$172.6 million over three years, to improve access to clean and safe drinking water on reserves. \$500 million to create a new \$1 billion Nature Fund in partnership with corporate, not-for-profit, provincial, territorial and other partners.

The Nature Fund will make it possible to secure private land, support provincial and territorial species protection efforts, and help build Indigenous capacity to conserve lands.

Cyber Security – the budget has allocated \$508-million over the next 5 years primarily to create a new Canadian Centre for Cyber Security, as well as a National Cybercrime Coordination Unit for the RCMP. Federal government is shifting its national security priorities from terrorism to cyber aggression.

National Pharmacare - could represent significant savings for both patients and the government. A 2016 Parliamentary Budget Office analysis estimated that of the \$28.5-billion spent on prescription drugs in 2015, \$24.6-billion would be eligible for coverage under a national pharmacare program and that a true national prescription drug program could represent a savings of roughly \$4.2-billion annually, in large part because governments would have a stronger position in price negotiations. The flow-through implications could significantly reduce benefit costs for public entities.

#### Other Items

- \$231 million over five years to help address the opioid crisis.
- \$191-million over five years to help to defray the cost of NAFTA and WTO legal challenges related to the ongoing softwood lumber dispute.
- With legalization of cannabis set for late summer, \$62.5-million on public education campaigns and \$10-million on research, including assessing the impact of legalization on mental health, on top of a previously announced investment of \$46-million.
- Announced they are moving away from the Phoenix pay system – invest \$16M for a new system.
- Spend \$600M on Canada's 2018 presidency of the G7.
- Exploring ways for news outlets to benefit from Non-profit status.
- \$81.4-million over five years to create a no-fly list system.
- Research and Innovation - the budget commits \$3.8-billion more over the next five years to support science.

#### Outside of the Budget

In 2016 all of Canada's Ministers of Finance met and agreed to Proposed Changes to CPP Pensionable Earnings and Contributions. Namely increases to the yearly maximum pensionable earning and changes to the contribution rates applied to these earnings. The increases are set to start in 2019 and will have significant impacts on contribution costs. For the CRD, the 2017 CPP contribution

#### Highlights of Provincial 2018 Budget Released February 20, 2018:

##### Housing Affordability 30 Point Plan

\$6 billion over 10 years (33,700 units) including \$1.6 billion in the first three years with:

- \$453 million to support 19,000 units of affordable rental stock
- \$308 million for critical maintenance and energy performance upgrades to existing social housing
- \$450 million to help finance 5000 new student housing beds at public post secondary institutions
- \$178 million for 2500 supportive housing units for the homeless
- \$158 million for 1750 units for indigenous peoples
- \$141 million for 1500 units for women and children fleeing abuse

Creating a 'Housing Hub' in BC Housing to engage governments, non-profits the private sector in creating housing solutions. The new Housing Hub will be funded through re-allocated funds following a wind down of the BC Home Owner Mortgage and Equity Partnership Program.

\$5 million over 3 years to help fund need assessments for local governments to help them build capacity to build and retain affordable housing.

##### Progressive Property Taxation

The introduction of progressive taxation sets an important precedent to "go where the money is" in BC (namely real estate). Real estate wealth, unlike income, is very difficult to shelter. Starting in 2019, the school tax will increase by 0.2% on homes assessed >\$3M, 0.4% on >\$4M. (a \$5M home will pay an additional \$6k annual). There has been discussion on a revitalization exemption for developers of 5 or more units – hasn't been defined in details.

Additional Property Transfer Tax – the property transfer tax will apply to properties sold for more than \$3 million – this will increase from 3% to 5%. This applies to all properties in the province. (a \$5M home will pay an additional \$40k on top of the current \$68k for a total of \$108k)

The Foreign Buyer Property Transfer Tax – will increase from 15% to 20% effective February 21, 2018 and will continue to apply in Metro Vancouver, and will be expanded to the Fraser Valley, Central Okanagan, Nanaimo and Capital Regional Districts. This additional property transfer tax applies to foreign nationals, foreign corporations or taxable trustees. (a \$5M home will pay an additional \$250k on top of the current 750k for a total of \$1M)

The New Speculation Tax – a new tax intended for foreign and domestic speculators. It will apply in Metro Vancouver, Fraser Valley, Capital and Nanaimo Regional Districts, and the municipalities of Kelowna and West Kelowna. The speculation taxes speculators who do not pay income tax in BC. The new speculation tax rate will be 0.5% of taxable assessed value for 2018 and 2% thereafter. It will capture satellite families and generally exempt primary residences and long-term rentals.

Legislation will be developed in 2018 as it is not included in the Budget Measure Implementation Act. The province has issued an information fact sheet. In reviewing the fact sheet a couple of important things to note;

- This will be administered by the province outside of the annual property tax cycle – with tax notices expected to be issued in the fall. While they say principle residences and homes rented out for long-term will be exempt, the fact sheet describes an interesting process for the exemption. I believe notices will be sent to all residents in the specified areas for payment. BC residents will then need to apply for an income tax credit when they file their income tax by April of the following year. This may introduce a timing difference in costs out vs tax credit back in.
- Homeowner grant – starting in 2019 the province will collect SIN as part of the Homeowner grant application process to cross reference with income tax information. This has big implications for municipalities both in terms of privacy and budget/income testing.

#### **First Nations Relations**

- \$201 million over three years for Indigenous housing, the Indigenous Skills Training Program and Aboriginal Friendship Centers.
- \$50 million for the preservation and revitalization of indigenous languages in BC.

#### **Transportation**

Fare relief for coastal ferries including a fare freeze for major routes, a 15% fare reduction for non-major routes and the restoration of the passenger discount for seniors.

#### **Taxation**

Eliminate MSP premiums by January 1st, 2020 and replace MSP revenue with a tiered Employer Health Tax (starting in 2019) in which:

- Small businesses with payrolls less than \$500,000 will not pay any Employer Health Taxes.
- Businesses with payrolls between \$500,000 and \$1.5 million will benefit from a reduced rate.
- Businesses with over \$1.5 million will pay the full rate of 1.95%.

While the legislation hasn't been drafted yet, there may be an opportunity to advocate for exemptions or credits for non-profits?

- 2017 Full MSP Cost to CRD = ~\$550k
- 2018 ½ MSP to CRD = ~\$275k
- 2019 ½ MSP to CRD = ~\$275k
- 2019 introduction of Employer Health Tax = \$960k
- 2020 elimination of MSP = \$0

#### **Other Highlights**

- Child care - Invest \$1 billion including; affordable child care benefit support of up to \$1250 per child for families making less than \$45,000 per year.
- Care fee reduction program that will provide licensed care providers up to \$350 a month per space each month creating 22,000 new child care spaces.
- Wildfire Recovery and Resiliency: \$22 million over three years for the Ministry of Forests, Lands Natural Resource Operations and Rural Development to repair natural resources following the 2017 wildfires and \$50M for future preparedness and response to wildfires.

## **5. RATIFICATION OF COMMITTEE RECOMMENDATIONS**

### **a) Committee of the Whole – March 12, 2018**

#### **i) RE: DEVELOPMENT VARIANCE PERMIT – DVP-03-18**

**MOTION:** 084 / 2018  
**MOVED BY:** COUNCILLOR GORD BAIRD  
**SECONDED:** COUNCILLOR MCLEAN

That Council direct staff to issue notification for the consideration of application DVP-03-18 at a future Council meeting.

**CARRIED**

ii) **RE: DRAFT FIVE YEAR FINANCIAL PLAN – 2018-2022**

**MOTION:** 085 / 2018  
**MOVED BY:** COUNCILLOR GORD BAIRD  
**SECONDED:** COUNCILLOR MCLEAN

That the first draft of the Financial Plan be received and the tax policy be brought forward to a future meeting for review. CARRIED

**6. INTRODUCTION OF LATE ITEMS****7. UNFINISHED BUSINESS**

- a) Report – L. Beckett, Planner, March 14, 2018  
**RE: FOLLOW-UP REPORT: Park-Trail Routing Clarification – Millstream Creek Properties Subdivision Application DP-11-17**

**MOTION:** 086 / 2018  
**MOVED BY:** COUNCILLOR GORD BAIRD  
**SECONDED:** COUNCILLOR BURNS

Subsequent to Motions 139/2017 and 140/2017, That Council confirm its choice of parkland dedication for subdivision application PLA-01-16 as shown in pink on the attached map, "Millstream Road for Development Permit," by JE Anderson and Associates, dated March 12, 2018. CARRIED

- b) Report – L. Beckett, Planner, March 14, 2018  
**RE: DEVELOPMENT PERMIT DP-11-17**

**MOTION:** 087 / 2018  
**MOVED BY:** COUNCILLOR ROESSINGH  
**SECONDED:** COUNCILLOR GORD BAIRD

That Council approve development permit DP-11-17. CARRIED

- c) Report – L. Beckett, Planner, March 14, 2018  
**RE: DEVELOPMENT PERMIT WITH VARIANCE DVP-01-18**

**MOTION:** 088 / 2018  
**MOVED BY:** COUNCILLOR ROESSINGH  
**SECONDED:** COUNCILLOR ANDERSON

That Council issue development permit with variance DVP-01-18. CARRIED

- d) Report – L. Beckett, Planner, March 14, 2018  
**RE: DEVELOPMENT PERMIT WITH VARIANCE DVP-02-18**

**MOTION:** 089 / 2018  
**MOVED BY:** COUNCILLOR GORD BAIRD  
**SECONDED:** COUNCILLOR ROESSINGH

That Council issue development permit with variance DVP-02-18. CARRIED

**8. CORRESPONDENCE**

- a) Letter – Ombudsperson of BC, February 15, 2018  
**RE: QUARTERLY REPORT: OCT 1 – Dec 31, 2017**

**MOTION:** 090/ 2018  
**MOVED BY:** COUNCILLOR ROESSINGH  
**SECONDED:** COUNCILLOR MCLEAN

That the February 15, 2018 letter from the Ombudsperson of BC be received.

CARRIED

- b) Letter – I. Howatt, CAO, City of Colwood, March 1, 2018  
**RE: WEST SHORE PARKS AND RECREATION SOCIETY – 2018 BUDGET**

**MOTION:** 091/ 2018  
**MOVED BY:** COUNCILLOR ANDERSON  
**SECONDED:** COUNCILLOR ROESSINGH

That the March 1, 2018 letter from Ian Howatt, CAO for the City of Colwood regarding the West Shore Parks and Recreation Society 2018 Budget be received.

CARRIED

- c) Letter – E. Gerlach, Ecoasis, March 14, 2018  
**RE: ECOASIS 2018 INITIATIVES AND PENDING APPLICATIONS**

**MOTION:** 092/ 2018  
**MOVED BY:** COUNCILLOR ROESSINGH  
**SECONDED:** COUNCILLOR MCLEAN

That the March 14, 2018 letter from Eric Gerlach of Ecoasis regarding 2018 initiatives and pending applications be received.

CARRIED

**9. BYLAWS****10. NEW BUSINESS**

- a) Report – L. Beckett, Planner, March 13, 2018 (DVP-03-18)  
**RE: DEVELOPMENT PERMIT W. VARIANCE – DVP-03-17**

**MOTION:** 092/ 2018  
**MOVED BY:** COUNCILLOR ROESSINGH  
**SECONDED:** COUNCILLOR BURNS

That Council direct staff to issue notification for the consideration of application DVP-03-17 at a future Council meeting.

CARRIED

- b) Report – T. Neurauter, C/ Officer, March 14, 2018  
**RE: HDCA REQUEST TO USE DISTRICT VEHICLE**

**MOTION:** 093/ 2018  
**MOVED BY:** COUNCILLOR BURNS  
**SECONDED:** COUNCILLOR GORD BAIRD

That Council approve the use of the District truck by the HDCA, subject to the terms and conditions of the Vehicle Use Policy for the broom collection event.

CARRIED

- c) Report – T. Neurauter, C/ Officer, February, 26, 2018  
**RE: POLICY UPDATE – BRIDGE INSPECTION**

**MOTION:** 094/ 2018  
**MOVED BY:** COUNCILLOR ROESSINGH  
**SECONDED:** COUNCILLOR BURNS

That Council approve amended policy V-3102.

CARRIED

- d) Report – T. Neurauter, C/ Officer, March 9, 2018  
**RE: MUNICIPAL NOTICE – TAXI APPLICATION**

**MOTION:** 095/ 2018  
**MOVED BY:** COUNCILLOR GORD BAIRD  
**SECONDED:** COUNCILLOR ROESSINGH

That Council receive the report from the Corporate Officer dated March 9, 2018 regarding Municipal Notice – Taxi Application and direct staff to right a letter in support of the application 'Woman on Wheels' as the company is supplying two taxi which are wheel chair accessible.

CARRIED

- e) Report – T. Neurauter, C/ Officer, March 12, 2018  
**RE: RACE REQUEST**

**MOTION:** 096/ 2018  
**MOVED BY:** COUNCILLOR GORD BAIRD  
**SECONDED:** COUNCILLOR ROESSINGH

That the occupancy of roadways from April 15, 2018 to June 24, 2018 for the purposes of holding youth cycling races, all as described in the March 2, 2018 submission from Dr. Walker Cycling and Broad Street Bikes, be approved subject to the Event Organizer entering into a public property occupancy agreement in which it will among other standard requirements:

- a) Release and indemnify the District from any claims or liability associated with the event and provide evidence of public liability insurance in the amount of not less than \$5,000,000;
- b) Agree to pay all invoices from the District for any possible costs incurred in connection with the event;
- c) Obtain all necessary approvals from Public and Private Entities and implement the necessary actions contained in the Sector Marshalling Manual; and
- d) Agree to give sufficient notice to all residents along the proposed route.

with the Corporate Officer being authorized to execute such agreement on behalf of the District of Highlands.

CARRIED

**11. IN CAMERA**

**12. RISE AND REPORT**

**13. ADJOURNMENT**

**MOTION:** 097/ 2018  
**MOVED BY:** COUNCILLOR ANDERSON  
**SECONDED:** COUNCILLOR MCLEAN

That the March 19, 2018 Council meeting adjourn at 7:39 pm.

CARRIED