



**CULTUS LAKE PARK BOARD
REGULAR MEETING
MINUTES**

WEDNESDAY, NOVEMBER 27, 2019
CULTUS LAKE PARK OFFICE BOARDROOM
4165 Columbia Valley Highway, Cultus Lake, BC

- Present** Commissioner J. Lamb – Chair
Commissioner D. Bauer – Vice Chair
Commissioner L. Payeur
Commissioner C. Smit
- Staff** Chief Administrative Officer – B. Bryant
Manager of Finance – E. Lee
Manager of Park Operations – D. Driediger
Acting Manager of Visitor Services, Accommodations and Bylaw Enforcement – J. Spencer
Executive Assistant – R. Litchfield
- Regrets** Commissioner D. Renwick

(1) **CALL TO ORDER**

The Chair called the meeting to order at 5:56 pm.

(2) **RESOLUTION TO PROCEED TO CLOSED MEETING**

- 4496-19 **THAT** the meeting be closed to the public to consider matters pursuant to the following sections of the **Community Charter**:
Section 90 (1), (d) the security of the property of the municipality; and
Section 90 (1), (i), the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

(3) **RECONVENE**

The meeting reconvened at 6:59 pm.

(4) **APPROVAL OF AGENDA**

- 4497-19 Moved by: Commissioner Bauer Seconded by: Commissioner Smit

THAT the Cultus Lake Park Board approve the Agenda for the Regular Meeting of November 27, 2019; and

THAT all delegations, reports, correspondence and other information set to the Agenda be received.

CARRIED

(5) **ADOPTION OF MINUTES**

4498-19 Moved by: Commissioner Bauer Seconded by: Commissioner Smit

- (a) *THAT the Cultus Lake Park Board adopt the minutes of the Regular Meeting held October 16, 2019.*

CARRIED

(6) **CORRESPONDENCE**

- (a) **Main Beach Tree Protection and Gardens**
- Email dated October 23, 2019 from Gary Baker, Resident

(7) **BYLAWS**

- (a) **Cultus Lake Park Board Remuneration**
- Report dated November 27, 2019 from Bonny Bryant, Chief Administrative Officer
 - Elected Officials Compensation Review dated November 20, 2019 from Julie M. Case, BA, AA, CCP Compensation Consultant
 - Cultus Lake Park Board Commissioners Remuneration Bylaw No. 1163, 2019

4499-19 Moved by: Commissioner Bauer Seconded by: Commissioner Smit

THAT the Cultus Lake Park Board receive the report from Julie M. Case, Compensation Consultant entitled Elected Officials Compensation Review – Cultus Lake Park dated November 20, 2019; and

THAT the Cultus Lake Park Board give First, Second and Third reading to the Cultus Lake Park Board Commissioners Remuneration Bylaw No. 1163, 2019.

CARRIED

4500-19 Moved by: Commissioner Bauer Seconded by: Commissioner Smit

THAT the Cultus Lake Park Board direct the Chief Administrative to prepare a policy for the Board Remuneration.

CARRIED

- (b) **2020 - 2024 Cultus Lake Park DRAFT Financial Plan**
- Report dated August 21, 2019 from Bonny Bryant, Chief Administrative Officer
 - Report dated November 27, 2019 from Erica Lee, Chief Financial Officer
 - 2020-2024 Five Year Financial Plan Bylaw No. 1162, 2019
 - Schedule A & B
 - Business Unit Detail
 - Schedule of Reserves
 - Unavoidable Operating Costs
 - Unavoidable Capital Costs
 - New Operational Initiatives
 - New Capital Initiatives

Bonny Bryant, Chief Administrative Officer introduced the 2020 - 2024 Cultus Lake Park DRAFT Financial Plan noting that the theme this year is Investing in the Future as We Continue to Build Community. She noted that unavoidable operating expenses have totalled over \$600,000 because of:

- Sewer and Water System Costs
- Increase in our Insurance
- Minimum Wage increases
- Employee Health Tax

She clarified that this cost is before we even start adding new items to the budget. She also noted that staff have done a lot of work cutting and reducing costs and feel that we have done our due diligence.

- Operating costs have increased by only \$180,000 in the last three years despite unavoidable increases to expenses of over \$600,000
- Operating costs in 2018 budget were \$4.65M
- In 2019 \$4.75M
- In 2020 \$4.83M

She noted that overall staff have saved \$420,000 in costs in the last three years.

Bonny Bryant, Chief Administrative Officer outlined the following constraints the Park has faced:

- PlanCultus eliminates any new growth, therefore we cannot expand our base
- As a result, we will continue to have a small number of residents and businesses to spread out the costs
- We do not receive any funding from other levels of Government, and we can not borrow funds
- Heavy use of our infrastructure with millions of visitors each year to our park
- Taking money out of our reserves, is unsustainable, we need to find a solution that allows us to make the improvements we want and address the needs of our community.

She followed by outlining some of the challenges:

She noted that there are many initiatives to be undertaken to improve our infrastructure, to increase safety and security in our community, to better address environmental sustainability and to keep Cultus Lake as a great place that it is.

- Our infrastructure is aging
- Cabins
- PW yard
- Washroom in SSC & Main Beach
- New sources of revenue are required, or residential lease will continue to climb

She noted that some of the highlights that are contained in the budget and initiatives that are closely linked to the new Strategic Plan under the four pillars of:

1. Building a Sustainable Path Forward
2. Continuously improve the Customer Experience
3. Strengthen our Community Connections
4. Preserve the Natural Beauty of CLP

She noted improved security coverage with respect to Police, Bylaw Enforcement and the return of Security Patrols while continuing hire parking attendants to manage traffic and congestion.

She also noted that the Board will continue to work on the maintenance of infrastructure as follows:

- Continue replacement of the retaining wall on Munroe Avenue
- Longer-term planning for replacement for aging infrastructure
- Planning for an infrastructure assessment initiative
- Restore Park owned buildings
- Continue work on upgrading the sewer system
- Main Beach green space irrigation improvements
- Main beach tree enhancement
- Increased Reserve Funding for Main Beach

Lastly, she noted that through the Board's Strategic Plan, the Board and staff will be focusing on Short-Term Rentals, Bed & Breakfasts, Secondary Suites, Home Based Businesses. As well, ongoing community consultation and engagement and continue opportunities for community input via website and community meetings and promotion of SSC & Cabins as a tourism destination.

Erica Lee, Manager of Finance introduced the draft 2020-2024 Financial Plan. She began with a brief overview including the attached schedules. She provided the Board with significant changes to the budget including a list of Unavoidable Capital and Operational Costs and the New Capital and Operational Initiatives followed by a brief description of each of the projects.

She outlined the different revenue generating business units that are budgeted for with supporting business units. She further discussed a number of unavoidable costs that need to be funded before any other new projects can be contemplated for the Park.

One Unavoidable Capital Cost in the Unavoidable Capital Costs document is the cost that relates to the second phase of the internal sewer collection system at Sunnyside Campground, this is budgeted as a one-time cost of \$300,000. Staff are proposing that this cost is funded through the Sunnyside Reserve Fund.

A number of Unavoidable Operational costs, including:

Business Insurance Premiums

Insurance rates have increased more than projected in the past budget due to claims history and increased levels of revenue being insured as Cabin and Parking Revenue have been added as insured revenue sources. The increased ongoing cost is just over \$15,000.

Bylaw Adjudication System

In order to participate in the Bylaw Adjudication system with the City of Chilliwack there is an annual fee of \$2,000.

Minimum Wage Rates

In 2020 minimum wage is increasing from \$13.85 per hour to \$14.60 per hour, an increase of about 5.5%. In order to keep rates competitive, staff have included an increase to the wage budget at Sunnyside and Visitor Services to reflect a comparable increase for seasonal employees, this will cost Cultus an additional \$17,500 overall.

She noted that in total, the ongoing financial impact related to unavoidable operating costs amounts to just under \$35,000.

She outlined the following multiple sources that the Parks revenue comes from:

- The largest revenue generator again being Sunnyside campground. In 2020, it is budgeted that Sunnyside will bring in just under \$3.0 million, which represents 51% of the total revenue earned
- Residential leases provide about \$895,000 or 15%
- This is closely followed by parking/public area revenue: about \$710,000. (12%)
- Commercial leases are at about \$601,000. (10%)
- Volunteer fire Dept. is at about \$270,000. (4.6%)
- Cabin rentals and visitor services are at about \$268,000 (4.6%)
- Foreshore leases at \$45,000 (0.8%)

Total revenue forecasted for 2020 is just under \$5.9 million.

Staff are proposing the following increases to rates for 2020.

First, a proposed increase to the residential operating levy for 2020. The proposed average household increase is about \$37 per year, bringing the average total cost of the annual base lease and operating levy per residence to approximately \$972 per residence.

Additionally, there is a proposed fee increase of \$25.43 to fund increased costs in protective services for police, bylaw enforcement and security.

Inflationary increases totalling an additional \$11.03 for the Volunteer Fire Department as well as increased insurance costs.

Total increases for residential fees total just over \$36. For a total proposed average increase of \$73.61 for residents.

Second, staff have proposed the introduction of licencing for Short Term Rentals, Bed & Breakfasts, Secondary Suites and Home-Based Business that will allow for additional funding for protective services to provide regulatory oversight in these areas as well as additional funding for Public infrastructure requirements in the park.

In addition, increases to business units include:

- Staff are proposing that High Season WEEKEND (Friday-Sunday) Parking Rates stay the same at \$15 per day and \$5 hourly during May to September
- However, staff propose that High Season WEEKDAY (Monday -Thursday) Parking Rates increase from \$10 per day and \$3 per hour to \$12 per day and \$3.50 per hour during May to September
- (no change to low season rate of \$10 per day and \$3 per hour as well as no change to

parking passes).

Sunnyside increases:

- Sunnyside Campground seasonal and overnight rates have a proposed increase of 2.5% to cover inflationary costs including minimum wage increases
- Overnight rates have a proposed increase of \$1-2 per night – increases more on high demand times and locations

Seasonal:

- Waterfront increase \$134 (from \$5225 to \$5359)
- View increase \$125 (from \$4,880 to \$5,005)
- Regular increase \$115 (from \$4473 to \$4588)

Cultus Lake Cabins:

She noted that staff are proposing that Nightly and Weekly Rates for the Cabins remain similar to 2019 rates, however, Twin Alders and the Yellow Barn Suites are proposed to be added to the Parks group of Cabin's to increase the revenue in the visitor service area.

Lastly, she highlighted areas of new initiatives have focused on for 2020:

- Increased Safety and Security - Policing, Security and Bylaw Enforcement Measures
- Initiate Oversight for Short Term Rentals, Bed & Breakfasts, Secondary Suites and Home-Based Businesses
- They focus on environmental sustainability
- Addressing Infrastructure and Equipment Needs

Warren Mazuren, Fire Chief, noted that the funds for training ground improvements be moved to support the needed fire hall upgrades. He also noted an increase to reserve fund as they are hoping to save for a new truck.

Dave Driediger, Manager of Park Operations presented the budget for Operations Department noting that Public Works is a team of eight during the winter and twelve over the summer months. They are responsible for maintenance of public areas, roads and infrastructure including a portion of seasonal work at Sunnyside Campground. He noted that there are no substantial budget changes for 2020.

The following were noted for each area:

Public Works:

- \$10,000 for flail mower attachment
- \$11,850 for 3 additional months of custodial coverage
- \$27,000 for cameras and container storage to improve security at Works Yard

Commercial Leases:

- \$15,000 set aside to understand our HVAC building requirements to develop a maintenance plan
- \$35,000 to refinish the Lakeside Beach Club's exterior
- \$8,000 to fence the sail boat storage area at Sunnyside Campground

Community Hall:

- \$1,500 for irrigation installation

Foreshore Lease:

He noted that Cultus Lake Park holds an agreement with the Province and is responsible for the management of 100 meters of the foreshore from the southern end of Lakeshore Drive to the eastern end of Sunnyside Campground.

- No new initiatives but \$4,190 is set aside for milfoil control

Public Areas:

He further noted that public areas generally include portions of the park not covered under lease and excludes Sunnyside Campground.

- \$10,000 for expanded irrigation at Main Beach
- \$8,000 to improve drainage along Sunnyside Blvd at fire hall
- \$18,000 for tree maintenance and planting
- \$10,000 for Main Beach tree enhancement
- 12,000 for Interac payment capability at pay stations
- \$8,000 for bear-proof garbage/recycle containers
- \$31,000 for power pole assessment and replacement

Jacque Spencer, Acting Manager of Visitor Services, Accommodations and Bylaw Enforcement introduced the budget starting with Sunnyside Campground. She noted that the seasonal and overnight rates will increase by 2.5%. Along with these rates listed we will also be increasing the low season monthly rate from \$750 to \$900. She also noted that under the 2020 revenue, Sunnyside Store will continue to operate internally. New operational initiatives will see \$5,000 added for Septic Line Maintenance to cover any septic line repairs as well as pumping the septic tanks again in 2020 until the Sewer Treatment Plant is operational. She further noted an additional \$5,000 has been added to the tree rehabilitation plan, \$13,500 for a dog delineation area, \$5,000 for replacement of approximately 50 picnic tables per year, \$45,000 towards the continued paving program.

She noted that the 2020 cabin rates will remain similar to the 2019 rates. In 2020, three additional short-term rentals will be added to the cabin roster, including Twin Alders, the house that was recently purchased by the Cultus Lake Parks Board and two suites that are located within the Yellow Barn over by the Cultus Lake Plaza. She noted that due to these additional rentals she is anticipating an increase in transfer to reserves in the amount of \$14,000.

She noted that the new initiatives in this area have been budgeted for \$8,500 to continue to make

improvements to our eight cabins as well as \$35,000 for renovations to Twin Alders and \$39,000 for renovation costs to the suites located in the Yellow Barn. Lastly, an additional \$4,000 for mattress and furniture replacement.

She also noted under Protective Services, which includes Police, Bylaw and Security, we have budgeted for coverage in all these areas. We will once again have Community Policing stationed up at the Park from May long weekend until the September long weekend will have be one full time Bylaw Compliance and Enforcement Officer and noted that they have added Security coverage to assist with patrolling Main Beach, the residential and commercial areas from long weekend of May until the long weekend of September.

Bonny Bryant, Chief Administrative Officer presented the Budget for General Administration. She noted under New operations initiatives for Council Compensation increase of \$27,000. She noted the following for Capital Initiatives:

- The park office building needs to be re-stained at will cost \$20,000
- Computer hardware and software (Vadim our financial program needs an upgrade to included municipal ticketing software) and one laptop for an increase of \$11,000
- Irrigation for the flower beds at the park office for \$2,000

Total increase for General Administration Capital of \$33,000.

4501-19 Moved by: Commissioner Smit Seconded by: Commissioner Bauer

THAT the Cultus Lake Park Board give First and Second readings to Cultus Lake Park 2020-2024 Financial Plan Bylaw No. 1162, 2019.

CARRIED

(c) Public Consultation on the 2020 - 2024 Cultus lake Park DRAFT Financial Plan

Chair Lamb asked the Public for feedback with respect to the 2020 - 2024 Cultus lake Park DRAFT Financial Plan.

Rick Williamson, First Ave noted the quality of the work on the Financial Plan and thanked staff for their work this year. He has inquired with respect to the increase with the Residential Leases. Erica Lee, Manager of Finance confirmed the increase per household is approximately \$37 per year, bringing the average total cost of the annual base lease and operating levy per residence to approximately \$972 per residence. She noted that there is a proposed fee increase of \$25.43 to fund increased costs in protective services for police, bylaw enforcement and security. She noted that there are inflationary increases totalling an additional \$11.03 for the volunteer fire department as well as increased insurance costs. An increase for residential fees totaling just over \$36 and a total proposed average increase of \$73.61 for residents. She also noted that staff are also proposing the introduction of licencing for Short Term Rentals, Bed & Breakfasts, Secondary Suites and Home Based Business that will allow for additional funding for protective services to provide regulatory oversight in these areas as well as additional funding for public infrastructure requirements in the park.

Bob McCrea, Lakeshore Drive inquired on the what is the percentage increase is for fees for commercial tenants? Erica Lee, Manager of Finance noted for Protective Services in 2020 that they are the same as the residential increase, however for other increases they are based on the actual related expenses.

Ken Dosen, Park Drive, inquired on both of boat launches and had asked if it is noted under the Foreshore budget for repairs. He suggested that the dock at the marina area be change to a floating dock to prevent damage to boats and the launch. He requested that maintenance to both be considered. Dave Driediger noted that this item was not placed in the budget however, staff will look into what would be required to repair the area.

(8) **CONSENT AGENDA**

(a) **Third Quarter Reports**

- Strategic Priorities
- Finance
- Lions Parking
- Public Works
- Campground and Cabins
- Bylaw Compliance and Enforcement
- Fire Department
- Lease Assignment

4502-19 Moved by: Commissioner Bauer Seconded by: Commissioner Smit

THAT the Cultus Lake Park Board receive the 2019 Third Quarter reports for information.

CARRIED

(9) **STAFF REPORTS**

(a) **Cultus Lake Park Board Strategic Plan 2018 - 2022**

- Report dated November 27, 2019 from Bonny Bryant, Chief Administrative Officer
- Cultus Lake Park Board Strategic Plan

Bonny Bryant, Chief Administrative Officer introduced the Cultus Lake Park Board Strategic Plan 2018-2022. She noted that in April of this year the Board and senior staff came together to produce the strategic plan for their term of 2018-2022. She noted that the document identifies the goals and priorities until the end of the Board's term in 2022 and the four pillars of this plan are:

- Build a Sustainable Path Forward
- Continuously Improve the Customer Experience
- Strengthen our Community Connection
- Preserve the Natural Beauty of Cultus Lake Park

4503-19 Moved by: Commissioner Bauer Seconded by: Commissioner Smit

THAT the Cultus Lake Park Board approve the "Cultus Lake Park Board Strategic Plan 2018 – 2022" document and authorize its release to the public and its posting on the Cultus Lake Park website.

CARRIED

(10) COMMISSIONERS REPORTS

Commissioner Payeur provided the Board, staff and the public with an update with respect to Emergency Management Preparedness Plan.

Commissioner Smit provided an update with respect to the Commercial Leaseholders noted that they are working on a sign to be placed near Parmenter Road for the mountain biker conventions in the new year.

Chair Lamb noted that at the December meeting the election of the Chair and Vice Chair. December followed by appointments to the committees.

(11) COMMUNITY ASSOCIATION

Colleen Rogosinski, Cultus Lake Community Association inquired as to whether there was any consideration or intent to use money held in reserve, such as the Land Reserve or will the FVRD loan offset the overall cost to the residents for the new sewer system? She noted that Chair Lamb noted in his presentation that reserves would be used for Sunnyside. She also asked for clarification on what the reserve funds are being saved for. She noted that what had been presented has changed.

Chair Lamb noted that the Board has considered this however, he noted that at the time of the referendum was taken place in April 2018 funds were not taken out of the reserves. The residents equate 54% of the total connections to the sewer system and the CLP as a whole is 46%. The park will need to fund the 46% of any amount that the sewer system funds. He noted that reserves may have to go to support that. However, we are not sure how this will all be worked out at this time. He noted that they are using Sunnyside Reserves to fund sewer connections that are not included in the overall large sewer plant project. The numbers that were presented before were not included in the overall project costs, they are over and above. Chair Lamb noted that the reserves are being held as a safety net as the park can not borrow funds. He noted that there are a number of infrastructure projects, failing washrooms in Sunnyside and Main Beach that need to be addressed and is not available in the capital reserves. He noted that when the assent vote was held in April 2018 the park did not have a vote, only residents. Chair Lamb noted that the Board was only in receipt of letter from the Fraser Valley Regional District as of late today. He noted that the project has stopped at this time. He noted that he did not want to respond to the letter without consulting the Board. However, he noted that the comment set out in the memorandum from FVRD, he clarified that the Board was made aware in August that there were issues and at that point the Board requested advice from legal counsel and were told that under Section 736(l), of the *Local Government Act*, the Board then, provided notice to the FVRD. He noted the only formal communication received is what was received today. It is the desire of the Board not to proceed with litigation but rather find a solution to the issue and review options going forward.

(12) **PUBLIC QUESTION PERIOD**

Q: Barb Kroker, representing the Cultus Lake Community Association addressed her concern with the Board Remuneration increase. In particular, she noted the increase in the position of the Chair of the Board at 63% and had asked why this is being brought forward so quickly and will be passed in January? She noted that the Board meetings are set at one meeting a month and the number of leaseholders has not increased.

A: Bonny Bryant noted that the municipal deferential between a Mayor and Council is generally 50% Chair Lamb noted that going back a number of years have not been compensated accordingly. He suggested that whether you are the Chair or Vice Chair, they are working over fifteen hours a week. He hopes that this will attract people to the roles of each. He noted that he appreciated the comments and concerns and that this was placed as part of the budget process to be transparent with the public.

Q: Shelley Walsh, First Avenue, noted that she sees how much work the Board does. She noted that in comparison to Vancouver Park Board and the budget they have there is not comparison but noted the concern to the increase of the Chair.

Q: Ernie Vance, representing the Cultus Lake Community Association thanked the Board and staff for being open and transparent with many of the discussion this evening. He inquired about the Legal and Professional fees noted in the budget at \$199,000 and asked for clarification on what the fees were for? He also inquired on items on the balance sheet. One noted under accounts receivable for \$118,000. Last year it was \$95,000. He asked for clarification on whether there should be something to be concerned about. He also asked for clarification on the Surplus.

A: Erica Lee, Manager of Finance noted that there was a carryover of a legal issue from one year to another. She noted that there are not outstanding debts and are related to continuing matters. She also noted that the Surplus is be budgeted at \$21,000.

Q: Rick Williamson, First Avenue inquired if the sewer system work has stopped right now?

A: Chair Lamb confirmed that is has been stopped with the exception of the condominium development which was agree upon at an earlier date.

Q: Commissioner Smit had noted that he heard that the stop work was due to not having a grant application approved.

A: Chair Lamb noted that he wishes to wait to hear more information and find a way to fix the problem and move forward. The park cannot afford to fund an 11.5-million-dollar project.

Q: Brenda Senft, First Avenue speak in favor of the Board Remuneration report comparison and feels the Board members need to be compensated for the quality of those representing the park.

A: Trish Williams, Lakeshore Drive, addressed her concern with the process of the Board Remuneration and requested public input as the process was in the past.

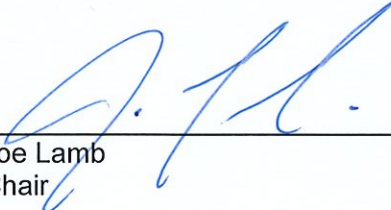
(13) **ADJOURNMENT**

4504-19 Moved by: Commissioner Bauer Seconded by: Commissioner Smit

THAT the Regular Meeting of the Cultus Lake Park Board held on November 27, 2019 be adjourned at 8:31 pm.

CARRIED

I hereby certify the preceding to be a true and correct account of the meeting of the Cultus Lake Park Board held November 27, 2019.



Joe Lamb
Chair

Bonny Bryant
Chief Administrative Officer