

**Minutes MIID Public Information Meeting 2011 Referendum to approve
borrowing up to \$3,400,000 for a new fire hall
Saturday Jan 29, 2011
Agricultural Hall
Mayne Island, BC**

**Called To Order at 2:03 PM by Jim Marlon-Lambert, Chair
Approximately 60 Members of the Public were present**

PRESENT

MIID Board Members

Jim Marlon-Lambert
Tracey DeRousie
Aaron Somerville
Jon Hoff
David Maude

Task Force Committee Members from the Public

Don DeRousie
Ian Birtwell
Bob Aldcorn
Peter Waddell
Harry Lane

Admin & Staff

Gerrie Wise, Recording Secretary
Steve DeRousie, Deputy Fire Chief
Moir McCulloch, Administrator
Jeff Francis, Fire Chief

Returning Officer

Mary Cooper

Chair, Jim Marlon-Lambert welcomed those present and introduced the Board and Staff and then Task Force Co-Chair, Ian Birtwell to give the presentation of the proposed fire hall as developed by the Fire Hall Task Force.

Ian Birtwell made the Fire Exit safety announcements and presented the PowerPoint presentation attached. Handouts were made available to all present.

At the end of the Task Force portion of the PowerPoint presentation, Chair Jim Marlon Lambert addressed the meeting.

(Chair's remarks began at slide titled "Sequencing")

What I would like to do first before my part of the discussion is speak of the Task Force. One of the distinct pleasures that I had last year, was working with the

Task Force. They took on a very difficult job; they relieved me of an incredible amount of stress and effort. And for myself, I thank them deeply and I have quite a number of times in the past. I think that the community really needs to understand the dedication and the hours and the intelligence and the experience the Task Force brought to the task, and the work is first rate. Thank you very much.

A round of applause for the Task Force was provided by the audience after his remarks.

Chair: Now we are on to some of the issues:

We at the Improvement District have been in receipt of a lot of commentary from the public meetings; from emails; from telephone calls; from meetings at the shopping centre and so on. I want to assure everybody here in the community that we are listening but, we do have a series of sequences and procedures which we must follow.

Improvement Districts are governed by the Local Government Act, which also governs Regional Districts, Municipalities, Towns, Cities and so forth. We get a much smaller proportion of it, but it is fairly liberally spread throughout the whole document so it's a little hard to get it all. But what we do have is a very strict series of steps we have to follow to actually eventuate a new capital project like a new fire hall. This referendum is one of them, because we must receive public approval before we can go out and spend this money.

We can put together budgets for operating circumstances which is why we have a Fire Department. We put that together every year; it gets approved by Victoria; and you see on the notice that comes out from the Surveyor of Taxes on your rural taxation notice. The fire hall would also be collectible underneath that environment but Improvement Districts have a lot of restrictions on what can be taxed through assessment based taxes and one of the most predominant elements is fire protection. For the Operations side we already do it through the Surveyor of Taxes. For this proposed fire hall that is an option and it is a legal option.

We have some sequences to follow here:

First the referendum must be approved, because if we don't have the public's permission to proceed on with the next step there's no point in looking at the next step. If the referendum is approved then what the MIID has authorized by motion is to conduct a poll of all tax payers to determine their preference of taxation methods. A Poll is different from a referendum. A referendum is covered by the Elections Act of BC and under the Local Government Act. A poll on the other hand can include many residents and owners, not only "voters".

Under a poll, various questions may be asked and everyone's opinion is sought and recorded. What we are proposing is: should we receive a Yes vote for the referendum, the MIID will conduct a poll and will get everyone's opinion on

methods of taxation. The polling notice will contain details of what each particular taxation method would cost and some of the variations in there.

We have looked at assessment basis already – that’s in the notes; it’s been described; it’s fairly straight forward; it results in the least amount of work and the least amount of risk for the Improvement District, but it’s not the only method.

Parcel Taxes or property based taxes can be a lot more complex; there’s a bit more risk and a lot of discussion on what relevant costs will be. We will provide that information; we will put that together in the package. That will be one of the first things we do.

The next thing, actually we will get going on this first if the referendum is approved; is that we will get the detailed design, project tendering and construction contract process going because we’re in a bind as far as time goes. We want to get a new fire hall as quickly as we can; obviously, as economically as we can; and we really need to get this project going because the longer we wait, the longer we are at risk. Also remember that the Fire Department operates 24 hours a day, 7 days a week, 365 days a year. We have to have that operational ability throughout this whole scale, so we want to be out of the old one and into the new one in the shortest possible time.

The other side of it is that the reality when we go to talk to senior governments; in other words, the provincial government or the federal government, they give us no credibility whatsoever unless we actually have a project in place. They don’t want to waste their time and effort on a “what If” or a “maybe”; No. If we’ve got a project in place, then they pay attention to us and will do what they can to help us. So we have to get started on that right away.

Here is what we are proposing in the poll: First it will be presented to all taxpayers, not only those entitled to vote in a Referendum. Under the Elections Act you must be 18 years of age, a Canadian Citizen, and resident in the province of British Columbia. What we propose is that if you are a tax payer, and you are on the rolls as a property owner, then you can vote in the proposed poll. We propose using a mail-out questionnaire, with a response by mail and a possible option with a response by Internet. The Internet would be cheaper, but one has to get the software and the facilities for it.

The MIID and Task Force would present the facts and the costs for re-payment by assessment which is limited to the total of land and improvements; Parcel Tax, and there are a number of options for parcel tax, and then some combinations of the above. We have not found out whether it is possible to have that as a split assessment and parcel basis.

What we are trying to do here is consult broadly with the property owners in respect to the taxation issue. This is a requirement of the local government Act; we have to provide a method of consultation. Our difficulty, as always, on this

island is: how do we get through to all of the property owners? They are here, there and everywhere. If you are a taxpayer then we believe you should have a right to vote in this and not just be limited just to those who live in the province. Our objective here is to develop a taxation system that is fair across the property value spectrum and that it is determined by a proper democratic process. In other words the final tax model that would be developed would be developed in consultation with the property owners. We would need to complete this by the end of September this year because if it is in favour of an assessment based method, then we need to have that stated in our 2012 budget, which we have to submit to Victoria by on or before the 31st of October. That's the time.

One of the reasons for going to a poll is that this would be established as a precedent and it would guide current and future Boards of Trustees decisions in this matter. We cannot bind future Boards, but if there is a public poll that has been conducted that states what the public will is; in simple and definitive terms, it is very difficult for any Board then in the future to go against that decision, unless they take another poll. We are not binding the Boards, but we are providing them with some fairly strong preference from the community.

Finally, we are open to ideas and options that would be presented from the community. I would like to point out that the Task Force is an ongoing organization. People joined in the very beginning; some people have left the Board but their work has been completed, and now we have a different type of work to progress with.

We are always looking for new Board Members. We are looking for people who have experience in finance and in taxation methods; and also in Construction. We will be hopefully getting on the detail construction process.

Our proposed poll mechanics is that it would be conducted similar to a referendum, in other words we would work from our taxpayer lists, except now, instead of excluding those who don't reside in the province of British Columbia, it would be everybody. We would have a Returning Officer supervise the poll and report the results to the Improvement District and the community. By this then there is an unbiased record of what the results were. If there are conflicts on who voted and how many times they voted, etc – that would be resolved by the returning officer, and the returning officer would provide us with the correct sum. There could be no consideration of bias on the part of the Improvement District. We would simply be working on our property owner lists which we try to keep updated regularly.

That's our proposal; we are still open for questions, statements, etc. from the community. What we want to be able to do is take the opinions of individuals and have them recorded and have them recorded for our posterity here, so that it does represent a formal guideline; we can't quibble about the results; you can't quibble about the results ; it provides a good marker for future Boards. At the moment, taxation issues can be decided every year by the Board, should they

decide to do so. As Board are finite entities, typically lasting a year, with individuals having terms of 3 years, there is a very good possibility that in 5 or 6 years, there's an entirely new bunch of people on the Board with an entirely new approach. That would provide us with some stability.

To Recap: the referendum is asking your permission for us to borrow up to \$3.4 Million. The reasons for that are that the current hall is inadequate and unsafe. Under various revisions to the BC Building code and the national building code, etc., fire halls are classified as buildings which must be post-disaster survivable and operable. This means they have much high design earthquake loads and wind loads than ordinary buildings.

There is a projected borrowing of a maximum of \$3.4 Million. I had a lady call the ID office to ask "What happens if you have an over-run?" and the answer is that we can't have an over-run; we don't get to spend more than \$3.4 million. "Well suppose there is an over-run?" Answer: What we are looking at here is that we have included approximately 12% in there as contingency and escalation costs and we believe that is adequate and it is also what is required by the provincial government.

Options now are for financing through the province over 20 years. We have been asked to look at different terms. All of our discussions to date with the province have been on a 20 year basis but we will go back and talk to them to see if other terms are appropriate. The tendency of governments now is to keep borrowing terms down (example of latest mortgage rules reducing terms.)

On an assessment basis the annual tax would be about \$50 per \$100,000 property. We cannot be precise about this because Assessment is always based on your current year's assessment which is actually last year's assessment number; it's about that. We know that there is somewhere between a 2% and 9% variation this year but we don't know precisely what's happened on Mayne Island yet. We won't know until the end of April.

If we went to a simple parcel tax it would be approx \$195 annually. Who knows what the combination would be, but you can draw some of your own conclusions there.

Some of you may feel uncomfortable about us not being able to provide precise values, but that's the way it is. We don't know precisely what it is going to cost. We have done our best to come up with a clear cost estimate, we have assumed a 5% interest rate – if it's less then of course the tax rates will be less, if it's more, then they will be more. Our current understanding of the way the bond market is going, because the province goes out and issues bonds- is that they are coming in under 5% at the moment so we are reasonably comfortable there

Ongoing Issues:

- March 12 is the date of the referendum which will take place here at the Ag hall.
- There are mail-in voting privileges that have been extended to off island residents and those on island residents who request it.
- For absentee ballots contact the Returning Officer, Mary Cooper by Feb 15th to obtain a mail-in ballot.
- By Sept 2011 we will have some poll with respect to the taxation preferences
- You will receive regular updates in the MayneLiner
- Check out our website
- Email the Task Force your questions

Jim Marlon-Lambert hosted the question and discussion period and reminded all that the session is being recorded and asked everyone to use a microphone and identify themselves. This does give us a record of what is discussed today. The minutes will be published on our website. Also, if we are not able to answer your question in the meeting we will be able to get back to you.

Q. Andy Pearson: (Blue Vista)

That amount is for borrowing \$3,400,000; How much would a taxpayer be paying with the current price of the fire hall ? How much at the moment is one paying for the fire hall? Will there be an increase in Operating Costs of the fire hall once it's been built?

A. Jim ML

Currently, because we need to make a difference here between Operating costs and Capital Costs. The Capital Cost provision in our budget for 2011 which has been approved by Victoria is another \$50,000 that goes into the 2011 tax that you would be receiving from the Surveyor of Taxes. That's the capital allocation. We also have \$55,000 that goes to vehicle replacement and firefighting equipment, etc. as another sum of money. So, what would happen as a function of the Board is that the \$50,000 is put away for the building is for repairs and maintenance and for a capital fund. What happens once a new fire hall is built is that the Board at that time then has to make a decision as to whether it is necessary to keep \$50,000 coming in; because we'd have a new fire hall – shouldn't need that. I would suspect that the sum would drop and your annual cost for Fire Department operations would be less that amount.

As far as the regular budget goes, we are looking at \$620,000/ for 2011 so it is about twice what a new fire hall would cost you. That unfortunately is going to go up because costs go up. Our power has gone up and will keep on going up. You are all aware, I am sure, that ferry rates have gone up, fuel costs have gone up. We use all those things, and this is just a general development for firefighting agencies: there are newer requirements all the time; changes in standards; improvements. So what we expect is that we will see a continual but gradual rise of our operating costs. Typically we are running 1.5% to 2.5% per year on that.

As far as the fire hall capital costs repayment costs go, under our projected stream here, they would be constant more or less over the 20 year span for the repayment of the loan. I hope this answers your question?

Q Dennis Watts

Could you please bring up the slide showing the total of costs as my question is related to that (Slide showing summary of costs).

Regardless of what material the building is made of, whether steel, wood or whatever, will the other portions remain the same: the contingency, GST, inflation, design project, site preparation, temporary administration etc.?.

A. Ian B

More or less; except a portion of management costs is a percentage related cost so, as the project cost drops, the management fee cost drops HST would drop a little as would interim financing costs. The temporary admin would stay the same, as would the site works.

Q Dennis W

Regardless of what material is going to be used to build the structure, some of these lines would stay the same, correct?

A Ian B.

Yes, that's correct

Q. Dennis W.

So the only big change, possible saving; major saving would be in the construction, which is \$2,000,000. Whether it is steel; whether it is wood; or cob. Is that the main potential cost saving is the construction cost itself?

A. Ian B.

That's correct

Q Barry Wilks

To follow up on Dennis Watts' question, I'm curious about the consulting firm or the firm that is going to manage the construction. I gather it is a firm called Liberty. I gather that they were contacted at the origination of this procedure, way back when; "pre" the Task Force. Ian alluded to a name before that the group was called, but it was like an improvement group of the Improvement District before the last referendum was "curtailed". In other words Liberty had some sort of arrangement with the Improvement District Now we are in a new phase and we still have Liberty Management. The Task Force, I assume in their wisdom, maintained their expertise. My curiosity is: If things change throughout this process; if we come into some other situation of building where in fact we could lead up to a pre-engineered design building with quite likely no necessity for a management company, it would quite likely be an engineered situation; are we locked into Liberty? Do we have to pay Liberty to manage this regardless of anything; or is there some kind of clause where we pay them a penalty if we undo it? I understand we paid \$100,000. to Liberty but if it becomes economically sensible to explore other situations, are we financially or legally tied to Liberty.

A Ian B.

The short answer is No. Liberty is contracted on the basis of an overall fee proposal that is broken down into various stages, and so far they have only been contracted to go to a specific stage. There is no break-up fee. To my knowledge if the Task Force were to go to a pre-engineered building basis that would be a whole different ball-game and we would go to look at that but they are not committed to being on the project the whole way through. Having said that, the Task Force when they recommended in March to keep going with the existing consultants, did so because there is a continuity of information, and that's why we are recommending "keep going with the same group that had tendered before.

A. Jim ML:

I would also like to point out that the \$100,000 was paid to Liberty, but they then paid out to the Structural Engineer, Mechanical Engineer, Architects, Cost Consultants and etc. so that figure is our Design Costs to date.

Q Peter Sara:

It seems to me that the reasons given to demolish the existing fire hall are substantial and legitimate: too small; unsafe and it goes on and on. It has been argued that, or presented that it's impractical or not economically feasible or practical to increase the standards of the existing fire hall. My question is that even though it would be too small, inadequate, you name it; what would it cost to bring the existing fire hall up to post disaster standards.

A Ian B.

\$3,400,000. (Laughter) Not to be facetious about this Peter, but the existing hall can only accommodate 3 vehicles so you would be adding on new to a building that is unsafe, and quite frankly, we didn't look at that.

Q. Peter Sara

I am not sure if I got your answer correct – I am not saying you should do that the building would be too small, etc. Surely there was some money spent to evaluate that cost to improve the present building to compare it to what you are proposing now. Are you saying that there has been no study of what it would cost?

A Ian B.

No I am not saying that at all. The structural studies done in 2001 and 2005 did look at the costs of upgrading the existing building – just reinforcing what was there – and the costs was in excess of \$1,000,000. Just to renovate what we have now, and we could only house 1 or 2 vehicles so the Task Force did not take that course. To us it was not a possible scenario.

Q Peter S.

I am not trying to argue with you, I am just trying to get a reasonable answer. . In other words, I am not suggesting that it be fixed up to standards which you want, but merely to make it safe, and you're saying that there has been no study or costs to do that.

A Jim ML

The cost studies that were done in 2001 and 2005 showed that it was not really economically viable and secondly we would lose valuable space. It was not feasible did not resolve the issues. The issues were the fire hall is unsafe and far too small.

Q. Peter S.

I don't think I'm getting my question perhaps explained adequately. I'm not asking to make suitable for your requirements, merely to make it safe. That was the question. What were those costs? Which I haven't heard yet. You're saying that it's \$1,000,000 to make it safe.?

A Ian B.

To make the existing hall safe was in the order of \$1 to \$1.5 million dollars and it only then housed 1 or 2 trucks, so that would not do anything for the fire fighting operations.

Peter S. I understand, thank you.

Q. Don Eddy (Spelling?)

I have a question about the financing and the sensitivity to interest rates .Is my understanding that the borrowing will be on the basis of a Bond sale which will fix the interest rates for the duration of the project or is there a sensitivity in future to interest rate changes?

A. Jim ML

No, these are Ministry of Finance Bonds which they go to the public markets twice a year for all of the Capital requirements in the province. Their general terms are 20 years, fixed rate. So, the answer to your question is we should not be sensitive to changing interest rates.

Q. Ken Weins.

Just a quick question on that one. So what you are saying is the repayment would be fixed over the period so as assessments go up, if you did it on an assessment base, the mil rate would drop but you would have a constant fixed price over the 20 year period?

A Jim ML

Yes, the payback is constant for the first 19 of the 20 years, and the 20th year would be whatever is necessary to close it out. With respect to assessment values, because they change every year, individual owners would be susceptible to a little bit of movement there based on their relative new assessment against everybody else's assessment. That is normal, that is what you experience now. If everybody's rates assessment went up 10% then the distribution would be exactly the same – the mil rate would simply go down by 10%.

Q Ken Weins

I understand that. My next question was at the other meeting a gentleman got up and since I don't live on the island full time, mentioned something about a steel building, that you could do it at a much less rate, but at that meeting it sounded like he was given pretty short shrift for the answer , I presume that it's come up before so that was the end of that question, but there seemed to be a lot of savings in that if , according to the gentleman, now I don't know can you just give me a little explanation as to what happened with that?

A Ian B.

Yes, I can. The gentleman was from a firm called Permasteel who had been invited to the island by some members of the community. Based on the fact that they were building on Saturna and the numbers that were being quoted were less. The issue was had we checked that out. In fact, we had. I didn't go personally, but a number of members of the Task Force went over and checked out the Saturna situation, what they were getting; and have been following it very closely. At the time, when he was in the room, I didn't not want to discuss with him the perceived inadequacies of their process or what they were getting for their money; whether it was being done well, or not – and that's still under question. Is that a possibility? Yes it is – down the road, we've said we'll look at steel or pre-engineered and we have looked at it before – we looked at it at the beginning of the process. At that time we were advised against it. We will take another look at it. We are not fixed on wood. What we are fixed on is building a safe building at the least cost to the taxpayers and that's where we will end up.

Q Ken W.

Now, if a different building was or a steel building would it change the design considerably?

A. Ian B.

It wouldn't change the layout; there might be some minor tweekes but it should not, because that's the layout that's needed for the operations. There would be some design changes in how it is constructed, because there are different ways in dealing with rainscreen, or different ways of dealing with seismic loads in steel versus wood.

Q Ken W.

So some of this work that's been done would have to be re-done. Is that what....that's the question.

A. Ian B.

Some of it yes, but not a lot because we are not at the final design stage.

Q Barry Wilks

With regard the Parcel tax versus the Assessment based. The figures that showed up on your presentation could tend to create an understanding perhaps that it's \$195 if you go parcel and it's less if you don't. But that doesn't explain the huge inequities that can happen. There can be a very high assessed property on the island that could be just a huge huge pile of cost to the holder of that property

versus somebody below the average and as I've said before I'm uncomfortable with what that does in the long haul. The feeling and sense of community between people who are paying for Infrastructure; our own infrastructure. Anyhow, I don't think there's any of us that I can detect that disagree that we've got to make the jump and provide a fire hall that's up to what we want and up to and safe. There's no question about that. The question is concern about the cost of course, and several other things..But when it comes down to the discussion that is happening or is in the air with the formation of or a decision of which way to go, it's almost as if it appears to be something new with the Improvement District and I happened to look at the handbook for Improvement Districts for BC and on the 2nd paragraph of that handbook – to me it's elementary - it says that most Improvement Districts raise their funding by parcel tax. And now we're having polling. My God, I wish we had had that polling before we are at this late stage of the game. Why didn't that come about?

A. Jim ML:

Most Improvement Districts within the province are associated with water supply and sewage treatment. There is a smaller number that are associated with fire departments; Salt Spring being the closest one. The government's consistent recommendation over the past 2 and ½ years that we have been involved with this project in detail with the government, their consistent recommendation to us has been to make the Tax assessment based. There is a lot of rhetoric there that has been provided, and not a lot of logic. But, when your financial advisor says "make it assessment" you have to listen fairly carefully to that. We've also been looking at the other sides of it. It really comes down to a community issue. What does the community want? The Board's here to satisfy the requirements and the interests of the community. The one thing that we cannot do, and you really need to understand this: Improvement District Boards cannot bind future Boards to particular methods of taxation. So, we just have to leave it until now. Perhaps the subject should have been a subject of a poll before, but I'd like to point out that all of us are volunteers and all of us have been primarily involved with trying to design a new fire hall and do it according to the project guidelines and demands of the provincial government.

Q. Bill Jamieson:

One of the things I have sort of a sketchy concept of what we're talking about in terms of parcel vs assessment so when we get to that poll, I would hope that it's very clearly explained to everybody what's involved, and the pro's and cons. One of the pros of assessment for me is, you know, you can defer your property taxes if you're a senior or mentally unstable- not that the two of those are necessarily connected (laughter) My concern with the parcel tax issue is what the Improvement District had to go through with those two properties on Charter. I would like to know how much the MIID had to spend to deal with those two Health Centre and Heliport arrears. You know, the property that was supposed to go to tax Sale but was paid off before. How much money did our Improvement District spend to deal with somebody who didn't want to pay their assessment and if we go to parcel, how many times are we going to have to deal with that?

A Jim ML:

With respect to the first question, “how much did it cost for the Tax Sale?” We started with about 30 properties on our list, We were able to work that down with the help of the provincial government and the lawyer to about 18, who were more firmly stuck in their ways. At the end of the day we have one unpaid property, but that is for very valid legal reasons; but the overall cost for us has been about \$10,000 in terms of legal costs.

Our administrator, Moira and Trustee Tracey DeRousie went to visit North Cedar who put in a new fire hall in 2005, and they opted for a parcel tax. The discussion that they had with them was that every year they go to tax sale, every single year. Now, part of what we had to do with the Tax Sale process this year was because there was no body that we could find within the Ministry who had actually been through a tax sale process. We had to go and get legal opinions on this and on that and as well as communications with the recalcitrant taxpayers. We won't have to repeat that, but the discussion with that particular Improvement District quite frankly scares the hell out of me, because every year you have got to go through this gut-wrenching exercise and it's pretty hard to do that process. You've got to be very steely-willed and hard-hearted. But it is business – it is the business of Improvement Districts. That's what going to a parcel tax will mean is that every year all those taxes that haven't been paid will be taken to a tax sale and it's pretty conclusive the tax sale – once it's sold, that's it there's no comeback. It's done, it's over.

Comment from Mary Cooper:

Speaking of my experience with Bennett Bay Water District, may I point out what happens? You get to the 24 month period, you send out a letter. You send a letter to the government; the government sends a letter to them. They turn around and pay one year off so the next year they are back at the 24 month stage again so that same property will come up year after year and constantly be one year behind. They pay off one year so they are out of the soup. So, think about that one.

Q. Murray Gratham

First I'd like to compliment the Task Force & MIID on a very impressive presentation, very detailed and one can gather most of the information needed to make an honest decision. What I would like to ask is: Have you explored the what ifs: IE: What if referendum fails? Two parts: 1)What's going to happen? 2) are there lost dollars going to be incurred because we didn't pass the referendum? I think it is important for people to know – I know you're being positive, but there's always two sides to every coin and I think the other side should be explored.

A Jim ML

Plan A has always been to get a new fire hall and thus get a yes vote. As far as plan B goes, no we don't have a specific plan B. We are still left with a situation where we don't have an adequate fire hall. The consequences I can think about; I

can speculate on but when I have made some statements in the past, people have said: “that’s threatening” “That’s blackmail” . We don’t have a plan B what we do have are various contingency plans and those relate to our operations. The Improvement District will still have to come back and go for approval. We’re behind the 8-ball here; we’re between a rock and a hard place. We are trying to do our best but our efforts have gone on getting plan A going and trying to make it as palatable and as fair to all the taxpayers. As far as lost costs go, one of the things that we are required to do before we go to referendum is have a properly architected and engineered design. We can’t just come out and hire a contractor off the street to build a firehall we have to have a capital projects plan which we have to follow. There are two pages of notes in the Improvement District manual if you’d like to look them up. So where we are now is we have spent approximately \$200,000 on architects, engineers, geotechnical investigations, visits, recording secretaries, so on and so forth. (laughter) (Chair apologized to recording secretary)

Q Murray G. I wasn’t asking what the costs were to date on this project, but rather what would happen if the referendum died and we get into the years 2012 and 2013 would the operating costs be increased? Would it be by a significant amount?

A. Jim ML

Yes, I would say it would be significant yes. That’s the contingency plan. Those monies would be an operating cost. As far as the other monies go – I think that our engineering is such that it could be re-worked again in the future, so not all of that would be lost.

Q. Ken Weins

I’m just going to echo Barry; I think we all recognize the need for a new fire hall. I don’t think that’s an argument here, with the equipment sitting outside and we all drive past it. Its an obvious thing that it shouldn’t be outside it should be in a fire hall, and the same thing for the workers. I don’t think the fact that we need a fire hall is at all - I think for a lot of people and many people close to where I live have talked to me about it - I happen to be on the water, I happen to have a high assessment – that doesn’t mean I have high earnings at this stage in my life. – I have a high assessment on my property As taxes go up and I think the comment was made before if assessments go up 10% everybody’s go up 10%. But my 10% is a much higher number, and I’ll talk personally now, then somebody else for example with maybe a better house than I’ve got across the road. My taxes will go up, my cost of this particular operation over the 20 year period will keep on going up where somebody that starts off for example at \$200,000 their actual cost of this operation will continue to go down in a percentage if that’s a fixed amount of money that’s coming in because if assessments go up 10% and you’re starting off at a half a million dollars, or starting off at \$200,000 it’s a big difference every year. It doesn’t seem like much for next year or maybe the year after but over 20 years it’s a huge pile of money that somebody is paying for that

fire hall compared with somebody else that happens to be across the road. And I think that's part of the question with all of this thing.

A. Jim ML

The effect on assessment based taxes is if there is a differential increase in assessment value in assessment percentage. So, simply having all properties go up by 10% doesn't change the tax distribution between those properties. But if your property went up 12% and somebody else's property went up 8% , yes there would be a difference, but across the Board, it doesn't make a difference.

Q. Ken W.

I understand that, I just happen to have been around with this business long enough to know that it doesn't go across the board at 10%. Some of the properties are whatever, and it goes up and it's fine if you're going to sell you can say that's great for you- you're going to make more money when you sell the thing. Not planning on selling the thing, I'm planning on living there until I die, so that's the situation- and there's many people in the same situation. There's many people who've bought places on the water for example 30, 40 years ago. Their places have gone way up as far as assessments go compared to somebody across the road, and some of them aren't in a position to pay the bigger prices that they are going to pay with these assessments. Particularly when we are all getting the same benefit out of a fire hall. Fire protection for our particular properties. My- the land is not being protected any more even though it may be assessed at a higher number. I think that's – you can look at me and say well you can afford it don't worry about it. There's lots of people around my area that are going to be voting on this particular issue, and some of those considerations are in it and I think that's why people have asked for- wondering how it's going to be taxed before they vote on it. Now they are being forced to vote on it before they know how it's going to be taxed.

A. Jim ML

I would like to say to Mr Weins is that our objective in the poll was to develop a taxation system that is fair across the property value spectrum. I hope you can take some comfort in a democratic poll.

Q .Dennis Watts

If I understood correctly that the cost of to collect the arrears of the Health Centre and Heliport Tax was \$10,000?

A Jim ML Yes

Q. Dennis W

So that \$10,000 means that \$10,000 was not available to spend on the Health Centre

A: Jim ML Correct

Dennis W.

Likewise with a parcel tax, the money that we don't collect, trying to collect for the parcel tax; is money that cannot be spent for the Improvement District for all our benefits, correct?

A Jim ML Yes Correct

Q Carole Kennedy

I'm not familiar very much with referendums. Why can't this referendum can't ask us – I know it eliminates the people out of the province, but most owners are in the province – why it can't ask the question – first do we want a new fire hall and the next question could be which way of repayment do we want – assessment or parcel tax – rather than having this poll. Because a vote is a vote that is written down and you have to come here to do it, you're not just asking people their opinion of what they would like. Is it possible to do that on the referendum? Why?

A Jim ML

No, it cannot be done on the referendum for two reasons; one of them is that it is too late now. The other is that the referendum had to be approved by the Ministry and only appropriate questions for a referendum will be allowed. Because taxation method is a power that this Board already has, we can't ask for additional powers associated with it, so it would not have been allowed. We did have this discussion with the provincial government. On the other hand, the poll is not covered under the Local Government Act so we can ask whatever type of question we want. It is a legal distinction. Everything we do in the Improvement District follows sequence after sequence because we "don't know what we're doing" so the government has established step A then Step B, the C then D.

Q. Ken Weins

I would just like to say one more thing about the Parcel Tax and the collection of it. I think it's a bit of a red herring – the heliport and that particular tax or fee against the parcels was a new tax and people always have questions about it and they have difficulty accepting it and everything else- but after that's in place 3,4,5,6 years, it's an automatic thing that you are going to be paying. There are going to be one or two people that will refuse to pay it on an ongoing basis much as the provincial government has tax sales on property every year and they come up in the paper and people refuse to pay their assessment based taxes as well. Now I know from an Improvement District you still get your cheque from them so it doesn't matter to the Improvement District somebody else is doing the collection, but those numbers are not significant numbers in the scheme of things and as you said, a lot of the expense was finding the official way or the legal way to do some of this stuff. Those things have been done. Now there's always going to be one or two people that may be aren't in a position to pay that tax, I guess you'll always have those people, but I think it's a little bit to suggest that we're going to have trouble collecting these fees, the taxes from everybody for this – nobody's going to lose their house over it I can tell you that.

A. Jim ML

I suppose the one thing that people in the community should be aware of was that I said we'd paid \$10,000 in legal costs. I didn't say how much we had paid in terms of administrative time and Canada post registered mail and it just goes on and on. The fact of the matter is that the experience with other improvement Districts with respect to parcel taxes is "yes, they have to go to tem, every year, and in the end the person pays up but it's an expensive process. The really hard part for us with respect to the Health Centre and Heliport Tax, -it's for both of them,- is that the money spent on legal and on administrative facility is not available to provide necessary repairs to the Health Centre, nor to provide the necessary expansion of the Health Centre. That's the bind that we're placed in. Then what has to happen, to counter the effect of non-payment or delayed payment, because people also delay payment, is that every year when we have a capital loan like that on a fixed date that amount of money comes out of our bank account. If we don't have it, where does it come from? If the Bank has to provide it, you know what the balloon fees are going to be like. So, there's a lot of considerations there. May I just suggest to those of you who have an abiding interest in the method of taxation: come and join us on the Task Force. Bring your voice forward there; help put forward the models, help put forward the questions that would go out to the community.

Q. Ian Beatty -

The question I have is What is the criteria for success or failure of the referendum? Is it 50% plus one of the eligible voters? Is it 50% plus one of those who actually voted? Or is it some other percentage?

A. Mary Cooper, Returning officer: 50% plus 1 person of those who vote

Q Barry Wilks

When officially does the referendum begin? Is it official as of the closure of this meeting or is there an in other words an officiality of this?

A. Jim ML

The referendum was official when it was approved by Victoria which was in November

Q. Barry W.

So we were officially a referendum, going to a referendum sometime in November .

A Jim ML;

That's right and what we did set was we set a period which was 6 weeks from the time of this public meeting – 6 weeks minimum from the last public meeting – to the end of the referendum

Barry W. I heard what you said. Thank you.

Comment Jim ML:

I'd like to point out that the mail-in ballots were out several weeks ago.

Comment: Mary Cooper:

Well not several weeks, actually, Mail in ballots went out Jan 11 and Jan 12 to permit a minimum of a week to be received, a minimum of 6 weeks to come back to us.

Q Karl Bunnon

I think I speak for all of the property holders on the island when we recognize the work that's been committed to this by the Task Force. This is time that's been taken out of their personal time. But, I had a few questions for my own interest. How many square ft is the existing fire hall?

A. Ian B.

I can't tell you exactly, but at one point, we were looking at where the square footage was going, we took the sq footage of the existing building and its 2nd floor because it is two stories, and all the out buildings that are housing the equipment now and the containers and it was somewhere about 8 to 8,500 sq feet – just a little bit less.

Q Karl B

Part of my question is you have mentioned you have 5 essential vehicles. If you look at 500 sq feet per vehicle – that's approximately 2500 sq feet That would allow more than enough room for a 50 foot truck and a 10 foot wide stall. One concern I have and the question was directed by an earlier question: In the event that if this referendum stalls, and I guess the question I'm directing is whether or not possibly is there an option to scale down the physical size of the structure? At \$200 a square foot, by my experience, in general construction, that would seem large for a storage facility. Now I understand there's areas of the building that are not storage, and then the 2nd part of my question: Is there the option to request funding for the essential requirements of the building? Those for storage of Capital Equipment, and have the option or the opportunity to expand those facilities in future budgets.

A. Jim ML

Our method of resolving this problem was to look into the future and try and project where we were going to be in approximately 40 years time. And look at the size of vehicles and the number of vehicles we would require. It's not a 10 foot bay size (To Fire Chief: What's the width of the bays?) They are 20 ft wide and that's because the basic vehicle width also has to include the swing of the panels and the doors, space to store materials between the trucks and access to vehicles. We end up with a larger storage space or garage space, if you will. There's a lot of other ancillary pieces of equipment that are also required there. We have to have a machine shop; we have to have a compressor bay; we have to have a hose drying tower. These are all essential elements in there. So, our design as such is what we define would be a good basis for a 40 year design, our current fire hall is 43 years old this year; to last 40 years without major

extensions to it; but to definitely last 20 years without having to do anything major or structural way to the hall at all. This is what we took as our design minimum, because any time you do construction around a fire hall you then start impeding the operational efficiency of it. What's happening with the equipment is that it is getting longer, it is getting higher and it is getting a little wider and certainly with the pull-out doors, it's getting wider. We also have requirements for other facilities such as communications. One of the things that is really important in the fire department and in the Improvement District is the keeping of records; and so we need archive facilities there; we need lots and lots of storage. So what we have done is we have taken what was a slight overdesign and it was largely occasioned by the fact that we might have to run emergency operations centers here on the island; to the state now where we don't have to; we just have to run a little emergency operations facility. What we've done is we've cut everything back to the minimum. That would satisfy those life spans. We will have to replace our vehicles. We have a projection for growth on the island so we know how many properties are buildable upon; how many new houses, etc., but the one thing that we don't have any control over is the height of the buildings. At the moment, we are able to use our simple fire engine to cover all the structures on the island. If the structures get higher, then we'll have to go to a ladder truck which is a 50 footer. So this is the way we've designed it. Looking at a piece meal design wasn't on at the beginning, and if it is to come on then that's going to take an awful lot more effort and more cost.

Q. Millie Leathers on Bayview

Everybody has a limit to the amount of money they've got in their pocket to be able to spend. And I'm worried that the first time this came up and the referendum was cancelled, and til this time there's been a fair amount of scaling back, and I'm wondering if we approve this referendum now, if we're going to wind up with a Class A fire hall and a Class F Health Centre and Class something else water system and no more money that people are willing to spend to help with the other things that are needed on the island; and whether a little more time for reflection might bring that cost down, yet again.

A. Ian B.

The Task Force members are tax payers too, so we are concerned about the amount of dollars that are being spent. The design of the building is – I'm not going to say bare bones, but it's the basic that we need for the firefighting operations that we need for this island; for the equipment and the number of volunteers we have and cutting back was not an option. We already cut back from what the previous proposal was, we cut it back to: What are the facilities that we need for this fire fighting operation; for this island; what facilities do we need for the Board; how can we combine them? So, some of the rooms are multi-purpose, they serve dual purposes and that proposal that we have there is what the Task Force felt was needed for this island. So it's not a matter of cutting it back. Is it a Class A building? – It's a good building an adequate building; it's functional and it will do the job for the next 30 to 40 years. Is it a Cadillac-No, it's not.

Q. Andy Pearson

There was a question about Steel Construction and a reference to Saturna fire station. Is that a recent build or how is the size of that one compared to the one that is currently proposed here? What is, how is that constructed and is that up to Earthquake standards as well? And if that's not up to earthquake standards, how come it is built?

A. Ian B

That is a multi, multi Question. My understanding is it's about the same size- there are two halls- to be honest, they're not really comparable, because we have a lot of work on our site to do as well as just the holes. I can't tell you what design level they are operating to, because they're not an Improvement District, they are a Society –they operate under different rules. It's in construction still, it doesn't have its permits; it's having some issues that I don't want to get into at this meeting. We looked at that as a way to go. Frankly, at the end of the day, we decided to go wood and not preengineered steel building. Are they doing it right? – that's not for me to comment. We did look at it, we did look at other halls toom not just there. And what we proposed is what the Task Force felt is the right approach for this fire hall on Mayne Island.

Q. Andy Pearson

Just a matter of general - It seems as though there are very few alternatives that have been presented overall to the proposal that is being made. There's just one, and if it doesn't go ahead, there's going to be all manner of negatories. It's just difficult to see - if this doesn't go ahead, what's an alternative - because it might not go ahead and that what would be sufficient, were this not to go ahead what other communities are using which they presumably construe as being sufficient, otherwise there are paying hard-earned dollars to pay for that. It's just that there's not much to compare it to, for a person trying to make a decision on how much is going to be spent for the next 20 years.

A. Ian B.

To answer your question, the Task force did look at a lot of different alternatives. We looked at in the first 2 or 3 months, pre-engineered buildings, we looked at siting it at the back of the place, we looked at a 2 storey building. We looked at a number of alternatives. We are an experienced group, with a lot of experience in project management and in delivering this type of building and we came to the conclusions that we did after looking at all the alternatives and debating them, that this was the appropriate way to go Yes, Saturna are doing it one way – there are some reasons why they are doing that - Go to Point Roberts, look at what Point Roberts are doing with their fire hall. Their situation is almost identical to Mayne in terms of the number of properties they are looking after, the number of volunteer firefighters they have – they are all Canadian – the size of their hall, and their costs about the same. Out there, there are a lot of options to look at – they are all different in that they are all tailored to the communities they're serving and their needs and their equipment and their way of operation. So what we've done here is we've designed for Mayne.

Q Andy P Are their costs comparable?

A. Ian B.

Yes, they are. There are some that are not. There are some across Canada where you've got to wonder where their costs came from. Some are higher, and some are lower, so we came back to looking at: What sort of equipment did we need to house here; what sort of space did we need for that equipment; what would the facilities for fighting forest fires, for (Steve should help me out here) all the equipment that we have. How do we need to house that? What do we need in the way of training rooms? Ready rooms? Washroom facilities? MIID offices? And we worked with the architect to pull all that together. So, it's a made on Mayne Island design; it's not excessive, it will do the job for the service level that we are providing.

Comment Bill Jamieson

I think one of the things it is difficult for people in the community to understand is all the many things that we do in the fire department and all the requirements that we have to do those jobs. If you live on the mainland, you've got relationships with neighbouring fire departments that you call upon to have services brought to your community. You hear about it all the time, in Vancouver and in Victoria Saanich, if it's a big fire, you've got other departments coming – mutual aid coming. We don't have that. Lot of properties on the island we don't have access to, so we've got to have portable equipment we have to be able to respond with. We look after rescue, we look after 1st response, we look after a lot of this community and this plan has been gone through and gone through and gone through and pared back and tightened up and cleaned up and it basically does what this community needs to offer the services this community needs. You know -if you can't - I guess it comes down to in my mind; we need the fire hall. The question is how are you going to afford it. And if the question is are you going parcel or are you going assessment, well that's a discussion we have to have. You know if half of the community fights the assessment, well that's not community building. Or fights the parcel, rather; if they feel they don't want to pay their taxes, or they have an issue about that – that's not community building. Those are discussions we can go on, but the question you have to ask yourself is:

Do we want and do we need to have a facility that is going to look after our community. I think we do. So I think we have to ask ourself: okay, if we do, how do we move forward? How we fund it is a separate question and I think that's something we have to bear in mind.

Q Andy Pearson

I have a question about the funding. I think there was one of the slides said that there was referendum – there are a number of taxpayers who are not included in the referendum. Which are the people who are not included?

A. Jim ML

That's correct, Those not included are those who not Canadian Citizens; those who don't live in the province of BC and those under the age of 18.

Q. Andy P.

Is the item about not being a resident of BC- is that part of the BC Rules type of thing?

A. Jim ML It is part of the Elections Act

Q. Andy P.

A question then for Mary: Do you get a vote for each parcel given that you're going to be paying for each house effectively as you're assessed for each house, Do you get a vote for each property you own? Or is it just one vote if you resident.

A. Mary Cooper Returning Officer

One person regardless of how many properties owned, will get one vote. Each person on title may vote. If you own a business and a property the business may have a vote. So if you own 3 properties and they are all houses, you would get 1 vote. However, if there were 5 persons on title for one of your properties, each would have a vote. If you own a business, when you come to the polls, bring a resolution and present it to the polling officer. A business or an estate are the only situations where you may get 2 votes.

Comment Jim ML:

All of the information with respect to voting at the referendum is available on the Returning Officer's website

Q. Peter Sara

A friend of mine owns some property here –he lives in Alberta - he says there is a big fault in this proposal it's not right, It's weak. He works in the computer industry and says that everything we do in the computer business requires redundancy. There has to be back-up. So when you think about this, take a look at our friends in BC Ferries: how many vessels out there are running around these waters with one engine? None- they all have two engines so if that boat that has just one engine fails in those waters, it is dead in the water. He was saying this is the problem with this entire proposal; it relies on one fire hall, and only one. So if there was an earthquake and the fire hall was damaged or the roads were impassable we're dead in the water, the fire trucks can't get anywhere. Look at what Saturna did; they built two fire halls. They built them for \$1.2 Million dollars . Their entire consulting and engineering costs was \$50,000. \$50,000 – I look at that I see Design & Project Management \$387,500 included as well as that would be a portion of the pre-referendum costs of \$101,000 So my question to you is why have we not followed the Saturna Island approach. They built, they now have two buildings at \$1.2 Million dollars, with redundancy, with back-up.

A. Jim ML

The Improvement District is governed specifically by the local government Act and we have a process to follow that is entirely different from the Saturna Island Fire protection Society. Entirely different- and we have to report to the government Ministry in Victoria on this, and we have to report to you. The Society on Saturna has to have the willing assistance of the Capital Regional District to collect taxes, but they report to their members. That's it. They have a different set of issues to follow. The other question with respect to redundancy – we did look at it. We also looked at the placement of the current MIID lands, and we have adequate coverage on existing roads to all parts of the island. We have some considerations for earthquake for some of those roads, that is true. But in the interests of our fire Department, which is currently about 25 members, in the interests of our resources, that were available we elected to put it in one location, so we could minimize our administration costs – minimize a lot of other costs- because we don't own property anywhere else on the island. We would have to go and buy property and get it re-zoned via the Islands Trust and I'm sure you can imagine how long that might take. It may be in the future that there are other fire stations on this island; but we made the decision, based on our strategic plan, that a central fire hall was correct and what you did was you built that central fire hall so that it would with stand and would still be operable at the end of an earthquake.

As it is 4 o'clock, may I ask those of you who still have questions please get in touch with MIID and thank you all for coming out today and providing some very interesting questions and sitting rather quietly – there was no rioting in the street of Cairo here today. Thank you for your attention during the presentation.

ADJOURNMENT

Chair adjourned the meeting at 4:07PM

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