

**Minutes Public Information Meeting of the Fire Hall Task Force
Saturday Jan 15, 2011
Mayne Island Fire Hall Board room
Mayne Island, BC**

Called To Order at 2:03 PM by Bill Warning, Chair

Approximately 60 Members of the Public were present

PRESENT

Committee Members from the Public

Don DeRousie

Bill Warning

Ian Birtwell

Bob Aldcorn

Peter Waddell

Sean Skiffington

MIID Board Members of the Task Force

Jim Marlon-Lambert

Admin & Staff

Gerrie Wise, Recording Secretary

Steve DeRousie, Deputy Fire Chief

Bob Connolly, Sound System

Chair, Bill Warning welcomed those present and introduced Ian Birtwell

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

The Chair, Bill Warning 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.

Q. Bob Kerr on Arbutus

Please give a comparison of these projected budgets costs given here and those given out for 2009 referendum

A. The 2009 proposed project and borrowing referendum were for a cost of \$4.216 million

Q Neil Howard on Navy Channel

As the different methods of taxation are very significant, can the question of the tax basis method be settled by a referendum?

A. Jim Marlon-Lambert Under the rules of referenda, the question of method of taxation is not a valid question, so we cannot ask it on a referendum.

Q Jeanine Dodds

Could an informal poll of residents be conducted as this seems to be the biggest controversy right now?

A Jim Marlon-Lambert: The Board is expected to take the overall opinion of the community into consideration when they make a decision with respect to method of taxation. Method of taxation can be changed on an annual basis by the sitting Board.

Q Peter Sara:

With regard to a referendum voting on assessment tax versus parcel tax; I ask Jim Marlon Lambert: Why is this not a valid question?

A. Jim Marlon Lambert I don't see how I can provide an answer to that question. It is part of the Local Government Act.

Peter Sara; but you said it is not a valid question. You haven't answered that. Excuse me; it's a very simple question.

JML It is very a simple question: It is not allowed.

PS Who is not allowing it?

JML Anybody conducting a referendum in the province of BC

PS Perhaps you can explain that better because it's not making sense you say it's not allowed.

JML The issue is one of civil law. As a local government we are bound by civil law, specifically by the Local Government Act. I do not know why it was decided what should be in the Local Government Act but it is the law and I must abide by it, we as citizens have to abide by it and the Board must abide by it.

PS You say it's a law that's not permitting this. I take exception to that because I don't understand what law you are talking about because it doesn't seem to exist. I talked to the taxation Department and what you are saying seems to be contrary to what Don Sutherland is saying. And further, I will ask one further question: Is this gag law that you *affront* (Not clearly audible) is still in effect, which was imposed by Mary Cooper – Is that what you are referring to?

(Mr Sara was asked by the Recording Secretary to repeat and to clarify his question as she could not hear him)

PS Where does this law come from?

A.Ian Birtwell I believe the question was answered by Jim Marlon-Lambert that it is in the Local Government Act

PS I'm confused, what is in the Local Government Act

IB The rules that govern referenda would not permit that type of question to be put to a referendum

PS: and that says specifically what about a valid question? What you are saying is that this is not a valid question and I'm.....

IB The interpretation of the Act as I understand it, is that it would not permit that question to be put in a referendum

Audience: "That's pretty clear" – "Question asked and answered"

PS I'll ask another question later.

Q. Pat Seebach

Again regarding the tax. When looking at the assessment roll here, maybe we should start thinking about people at the small end . Somebody whose property is only worth \$100,000, someone who is disabled or other problems such as those in the "Red Zone". I think they should not be paying a parcel tax on that property. Maybe we should start thinking about the people at that end of the roll rather than us.

Q Dennis Watts

Do I understand that the decision whether it is a parcel tax or assessment basis can be changed annually by the Board so one year a Board can make it a parcel tax the next year a different Board can make it assessment based and then back again another year. Do I understand that correctly?

A Jim Marlon-Lambert Yes.

Q. Bob McKinnon

Regarding the Design and project management cost of \$387,500 seems a little high. Please detail it further it is a significant cost of the building.

A. IB In terms of the overall amount of \$3.6 Million it is only 11% which is not actually high. Includes inspection fees, tendering fees architectural fees, working drawings, as one component and that accounts for 8% of the total and the remaining 5% is the construction manager fees which includes the site superintendent who is on site the whole time.

Q. Bob McK

If I remember correctly, the breakdown I saw shows a percent basis for the fee plus \$225,000

A. IB That is correct. The amount of \$225,000 for management was negotiated in an open bidding process.

Q. Bob McK So this is a fixed cost we are locked into regardless is it?

A. IB Yes, the \$225,000 is a fixed fee but the percentage fee is not because it will be based on the final number.

Q Bob McKinnon:

Regarding the design would it have been cheaper to have a rectangle instead of the offset structure shown.

A. Bob Aldcorn The architect told us the offset structure is part of the post-disaster construction. Two interlocking boxes was the best way to incorporate post disaster system.

Q. Bob McK Couldn't you build post-disaster in a rectangle?

A. Bob Aldcorn A rectangle is way more expensive to build post-disaster.

A. Sean Skiffington also confirmed rectangle would be much higher cost to build to post-disaster.

Don DeRousie: I would like to go back and answer Bob McKinnon's question about the project management fees. I have looked into project management fees because they did seem high to me too. I found that the standard rates average between 12% to 15%
Ian B: It is in line with the industry standards

Ian B. and Chair, Bill Warning then introduced Task Force volunteer: Sean Skiffington, who works in project management and Estimating and has a part-time residence on Mayne.

Sean S.: In 20 years of projects my experience shows Project Management fees range between 8 to 15% with the lower rate being for larger projects. This is a relatively small project. The rate given here doesn't surprise me at all.

Jim ML One of the reasons that the management fee seems high is the complexity of the project. Our Fire Rescue Service must be available 24hrs a day, 7 days a week 365 days a year. This is why we must have an onsite active project manager.

Q. Ken Weins – After looking at this project and talking to people, we can all see the advantage and the necessity for having a new fire hall. The problem is: How are we going to pay for it and when it is done on an Assessment basis we all can feel for the people that are at the lower end who have difficulty paying \$150 or \$100 or \$50 a year, But as assessments go, I know my assessment went up considerably and over the next 20 years the Assessments will go up considerably. Without knowing how we are going to be paying for this, if we want to get a positive response to the referendum, I can understand the frustration of getting a response of we don't know, we can't tell you how you are going to pay for this. We all have to pay for it one way or the other. In my area of the island they are talking about changing the water system over to the CRD. That's going to be another huge bill that they are talking about on an assessment based cost. I can see my costs going up \$800 a year for a couple of things here. I would like to know how we are going to pay for it.

A. Ian B. That's a fair comment Individual Assessments do all rise and so it is relative. The Board has not made a decision primarily because a new Board can change the tax basis year to year, so they didn't deem it to be germane to the question at this time to state what the tax basis would be because they are not setting the tax basis for next year. It will be the new Board in 2011 that will be setting it.

Q. Ken W

Just a further question, then; I can understand that legally you can't put it on a referendum but the fact is that once it is set up it will likely stay on a Assessment based fee. It isn't likely to change. I can even see some advantages to an assessment based fee in that someone else is going to do the collection, there's benefits in lots of different ways. However we want to get an approval for a project and before I can vote for a project, this one or another I want to know what is it going to cost me? Is it \$195 or \$600 per year? Over 20 years, that is a big bill.

A. IB: And the answer is you're right. The answer is we don't know; and we won't know from year to year. It's a dilemma, I understand that.

Q. Bill McFarlane

I have two questions, both related to financing. Getting back to the assessment; the loan is so many dollars and the repayment is so much per year, correct?

(Ian: Correct)

Bill McF So if everyone's assessment goes up and everybody's is going to go up if they go up then basically instead of being \$50 for every \$100,000 it would be less.

(Ian That's correct)

Bill McF So that would take care of this gentleman's question about his assessment going up because they all go up

Ian B: If they all go up equally, yes. The principle is correct, yes

Q. Bill McF

The other question is about the nature of the approach to the provincial government. We got a grant a few years ago although times were easier then, by making a direct presentation to the Minister. Could you give us more information about your approach to the government with regard to this? Was it to the MLA or what was done?

A. Peter Waddell: I approached both Gary Lunn (MP) and Murray Coell (MLA) The MP gave no assistance at all. MLA's office referred him to two other ministries who both responded with unsatisfactory replies. Does that answer your question?

Q Bill McF Yes, but you need to pursue it further to at least get to see the Minister with a presentation. I can give you information later on how we did it. We had support from the whole island. The whole island represents votes. You have got to at least get to see the relevant Minister.

A. Ian Your point is well taken. At this time we have had no success. The mandate for the Task Force was to investigate the grants available. In my past experience, in order to obtain grants you have to have a certain level of approvals and costs in place. The more appropriate time for grant application would be once we are into the process. At this time and in this economical climate, we have not been able to get any grants. However, we will add your name to the grant committee. Thank you for volunteering.

Q. Carol Peacock

This assessment question If we can't ask it on a referendum, can we circulate a questionnaire to get an opinion of the tax method..

A. Ian B. That is a Board issue, but I see Jim nodding and it would be a possibility. It would probably be worth pursuing.

Q. Maya Jordan

On the money issue Is it true that the loan will be at a fixed rate for 20 years?

Ian B. Yes, that's correct.

MJ so then every year for 20 years we need to raise X Dollars.?

Ian B. Correct.

MJ so if the assessments go up the payment it can't be the \$50– it's going to have to be reduced like Mr. McFarlane said, so a person can figure that out more or less themselves and not worry, if you just look at it like that.

Ian B. Yes, Correct.

MJ In other words what could happen if we voted for this \$50 you would have a lot of extra money. I really wouldn't want to go for that. The point is if we can feel assured that if the assessment goes up it isn't going to be \$50 per \$100,000 but only the amount required to make up the payment.

Ian B. Correct, and it would be done annually

Bill Warning, Chair, wanted to clarify that there are two different types of loan, one the interim financing and the second, once we get the building turned over to us the long term financing or mortgage.

Ian B. That's correct, essentially, it's just a mortgage. The interim financing is just to finance the costs as we go through to the final amount like bridging.

Q..????? *No name recorded*

Not to belabor the point but it seems like assessments are okay and I understand that if assessments go up and mil rates go down for this particular project, the fact of the matter is if assessments go up 10% and they go up 10% on a 100,000 property or they up 10 % on a 500 or 600,000 property, the spread is getting wider and wider as we go through this process of raising funds for the fire hall. So those that are assessed higher now and if assessments go up 10% over the long period of time there is a big spread in the difference between parcels and what they are paying for this fire hall. And it is not an equal amount going up each year, it is spreading and spreading.

Q Greg Peters

A couple of questions: Have you considered concrete tilt-up or reinforced concrete block construction? The second question is in regard to insurance: Village Point Improvement District is already hydrant rated, so does this mean I won't get a lowered premium. I am in favour of a parcel tax.

A.Ian. B Yes, sorry I should have pointed out that VPID is the only hydrant rated area. However you still should check with your agent to be certain your Insurance reflects the hydrant rating.

Ian B. To answer your first question I can't say we specifically looked at tilt-up as an alternate, but the construction managers looked at that those numbers. We were looking mainly at the decision of steel or wood construction. I would think that – I'm sorry, I'm not allowed to say– Mary would tell me I'm not allowed to guess, so I'll say Tilt up was not considered.

Q. Maya Jordan:

I'm not for either one so I'm just speaking generally but about assessment versus parcel tax that I don't know if we've considered. It is a fixed amount per year, right? It would be? It would have to stay at \$190?

A. Ian B Essentially, it would be a fixed amount per year unless there is a change in the number of properties due to sub-division. It may change a little from year to year because part of that was the cost of collection which has been a big issue recently, but essentially it would stay the same.

Maya P: It is a more comfortable feeling all around if one had a specific amount tax per year for 2 reasons: One: If you wanted to pay 10 years ahead, you could as they did on Pender when they had a big assessment, and in terms of re-sale of your property. I think the scariest thing is, would be If I had an expensive property, which I don't , is to have this cloud of what the heck is it going to be now and if you wanted to re-sell your property that would be very poor. I'm not a realtor but I think that would be very poor , so also as they did on Pender, a lot of people paid 10 years off, well theirs was only for 15 years; for their kids, or for inheritance or whatever, and you would have that specific amount, so that's something to think about. I'm not for either, I'm not advocating either.

Carol Peacock:

To end on an optimistic note, I would like to be part of pursuing grants and I would like to ask about that there are professionals to be hired to pursue grants. If we could put some money into finding someone to research and find some grants. I agree with Bill, some time ago they did find Grant money and I think we should pursue that vigorously and I will help.

A IB Thank for volunteering; you are now a member of the committee.

Q. Judy Taylor:

One of the things that puzzle me is that when we are talking about different types of payment. It doesn't matter if you have 1/3 of an acre or 10 acres, the Fire Department is going to respond the same way, so why aren't we all paying the same amount? Is anybody going to answer?

A. Fred Sexsmith (from audience).

Social Equity, that's what it is – If I can afford a \$600 or \$800,000 property, then I think it's fair that I can pay more than those who can only afford a \$100,000 property

Judy T. There's no such thing as a \$100,000 property.

Comments from audience; inaudible.

Q. Peter Sara

I haven't been able to find this figure anywhere in your presentation and that is: If the maximum amount of \$3.4 million dollars is borrowed What is the total interest paid over 20 years?

A. Ian Birtwell : The figure as I provided you last week which is approximately \$2,016,000. Approx \$270,000 times 20 years, minus the principle of \$3.4 million. The interest cost is a little over \$2 million at the maximum borrowing amount and at the conservative rate we estimated. So if the rate is lower and the amount borrowed is less the interest will be less.

Sean Skiffington:

Just to put a bit of a different spin on this – I am an owner on the island – I don't live here permanently, but I intend to. What I'm looking at is that when I'm living here, I would like to know that my house will be protected. And if we do have an earthquake or disaster the facilities will be there when we need them. While it is difficult to put a price tag on that I don't believe that these values are that high for ensuring that my property and myself are protected, and that is one of the reason I volunteered for the Task Force.

Q. James Savage:

Actually, I am not a resident of Mayne Island I just have an observation I guess.: Saturna Island' recently built two fire halls, One larger one and one smaller one combined approximately same square footage as what you are looking at here for I believe a budget of \$1.2 million and as far as I know they are on schedule and on budget. Have they been spoken to? Maybe for some advice or just thoughts of going through their construction process. And \$3.4 million seems like a very large sum of money for something under 10,000 square feet. I'm just asking some questions to make sure that going down this road eyes are opened and different options are explored. I do know that there are some construction practices- I believe this one here from the numbers I saw on the overhead screen there, from what I could guess with a quick calculator, about \$2.9 million dollars for the basically from the drip line in for the building including design and project management, that's between the range of \$375 and \$400 per square foot, that just seems quite high to me.

A.Ian B. Thank you Jim, for your comments. It should be noted that Jim Savage is the sales representative, vice president for Permasteel who have tried to make a proposal to us to build a fire hall out of steel like Saturna did. That is correct is it not?

J Savage: Yeah, I built the fire hall

Ian B. The answer to the question you proposed is yes we did visit Saturna, and have talked to those involved in the Saturna program and have talked to the Fire Chief, and have been observing. We have no further comment on whether they are doing right, wrong, cheaply or expensively.

J. Savage I just note that their budget is about the third of the budget for the proposed budget for Mayne Island.

Trustee T. DeRousie: Their budget was \$1.6 million and they also got a lot of donations.

Q. Barry Wilks:

With regard to tax question I can sympathize with Pat Seebach and I thoroughly can relate to what Mr Weins talked about. I'm in the middle in a sense, and that is that I have a very high Assessment and I'm on the low scale when it comes to income. Part of the reason for that is that I've been fortunate enough to be here for some years whereby property was something that was different. I have property that is valuable I have a house that really should have been replaced several years ago, but we cannot afford to do that. I've been told that we should sell our property; I feel that's an insult, I don't wish to. I wish to be a member of this community that probably is a little bit respected, just like I respect practically everybody in this community. So therefore when it comes to the parcel versus assessment, it's a dilemma for me personally. I find I can't get any information from the Trustees. The Trustees I understand have been stopped from speaking as of December 1st. What's it gonna cost me – I tell you from what I've heard today Barry Wilks has no choice but to say no to the referendum, and I'm one of the first advocates of getting a good fire hall at the most reasonable cost that we can get – for the community and for the firefighters and I'm part of people that I've discussed this very aspect and substance with and I don't know anybody that doesn't want that. But I have to say we should shop around I think there are still better alternatives. I do not know but I'd like an answer possibly if you can do it if you've looked at pre-engineered steel construction. Forget about perhaps the whole process in the administration shall we say of the contr.. whatever you call them... your advisors.

A.Ian. B. The answer is yes; and we have given you that answer before. The Task Force did look at them. At our very first meeting Don DeRousie brought in some steel structure building information. We passed this through to our consultants, they are fully aware of it, For the type of building that we are doing and to do it post disaster that we are doing and to specifically apply to that site, they did not recommend we go down that route. And that was the opinion of the Task Force, Many of whom have worked on those buildings. Al Wood in particular, did all the steel buildings at Lornex, so we are familiar with it, we did look at it. Did we look at it in a lot of detail? No, we were looking at it in our general assessment as to where and which road we are going down and based on the advice and our knowledge and expertise. ..(inaudible)

Barry W. Well, I don't know it's to the advantage of your advisors but I would have at least wished that this task force took it upon themselves to check it all out. I quite honestly believe we can do better. I don't think I have anything more to say.

Q. from Audience: "Barry did you apply for the task force?" A discussion ensued between the audience and Mr. Wilks, which was not audible. Mr. Wilks did say he was not criticizing the Task Force.

Chair Bill Warning clarified that after the referendum- If it passes the project will be subject to tender and all methods of construction are free to tender bids. The decisions still have to be made as to wood or steel and the bottom line price.

Ian B. reminded those who wished information should add their name and email to the list at the back of the room.

Ian then introduced Mary Cooper, Returning officer, who requested time to address the meeting (although this is not part of the presentation)

Mary spoke regarding the comments that a “gag order” had been imposed on Trustees and staff.

“A couple of people here today have referred to what they like to call a “gag order”. I’ve been doing this for 14 years, so I have got a little experience. In 2009 when we attempted to put the 1st referendum through, we had a discussion with the Improvement District and we decided that since they were using your tax dollars and since they were the proposers of the question, and since they wanted your feedback when you vote, they would neither promote the yes side of the referendum or the no side of the referendum. Now this was perfectly logical and I thought it was perfectly clear. . Does anybody have a problem understanding it this far?

Okay, we lost out on finishing that referendum and we have the same agreement this year – they are the proposers of the question. If they go out – and it would logically say that if they are the proposers of the question they would tend to support the yes side. However, you’re a “no” side supporter, but they are using your tax dollars, so therefore if they stay above the fray they are quite free to answer any question that you ask them. Clearly with Facts, They are not allowed to offer their personal opinion. Now I don’t understand what the problem with this is, but there are people in this room who do have a problem with this. These people are not “gagged” These people have the information, ASK them.

They are not under a gag order whatsoever, regardless of what you will read or what you will hear. We work fine together, Thank you.

ADJOURNMENT

After thanking everyone for their questions, Chair adjourned the meeting at 3:35PM with a reminder for the meeting on the 29th of January.

Recorded and submitted by:

G. Wise, Recording Secretary

Reviewed and Approved for distribution by:

Ian Birtwell
Co-Chair, Fire Hall Task Force

