

FIRE HALL TASK FORCE UPDATE November 20, 2010

Since the Task Force update presentation and discussion forum on October 9th, the Task Force has had limited activity, receiving updates on the approval process with Government, and processing feedback from the October meeting.

The handout material from the October 9th meeting is posted on the MIID website at: www.miidonline.com

In late November the Task Force was informed that the previously announced full HST rebate for Improvement Districts was in error, and that the rebate for Improvement Districts is set to recover 10.25% rather than the 12% which will be paid. To account for this, the Fire Hall cash flow projection was revised by incorporating \$45,000 of the existing known but not yet included cost savings, maintaining the maximum amount to be borrowed at \$3.4 million. This updated projection revision is to be forwarded to the MIID Board of Trustees at their meeting Dec 2, 2010.

It should be noted that the borrowing projections are considered conservative, and carry a healthy contingency of \$364,000 to allow for increasing costs (10%) and 2% for inflation. In addition, the Task Force is aware of identified additional cost savings of approximately \$135,000 which are not included in the cash flow.

In November the Task Force also reaffirmed their September recommendation that the maximum amount to be borrowed, using low interest rates available through the Province, be financed over 20 years as a tax based on property assessment. At the maximum borrowed amount the projected annual tax rate would be approximately \$50 per \$100,000 of assessment.

An alternate flat parcel tax of approximately \$190 was also examined. The Task Force reviewed revised cost of collection projections via parcel tax models, based on recent MIID invoked penalty policies and experience with difficulty of collection.

The Task Force recognize the assessment based model as the fairest tax model for apportioning costs relative to values protected and the model which provides for the most cost effective and risk averse collection of revenue through the Surveyor of Taxes. This is the model recommended by the Ministry of Finance, and the only tax model which would be subject to Homeowner grants, and allow for deferment of taxes by property owners over 55, and owners with disabilities or with limited means.

The Board had previously determined that they needed more time to research and clarify the tax models, and at Mayneliner deadline had not yet concluded their deliberations on the tax model.

November 18th the MIID Board received permission from the Ministry of Community, Sports & Cultural Development (formerly known as the Ministry of Community & rural Development) to hold a Referendum. Voting day will be March 12, 2011. There will be provision for advance poll and a mail-in ballot to accommodate vacationers and off island owners. **Please refer to the article in this issue by Mary Cooper, Returning Officer for information regarding the Referendum.**

The next Task Force public information meeting is scheduled for January 15 2011, at the AG Hall. The MIID Board will be holding a public referendum information meeting, scheduled for January 29, at the AG Hall.

To review all Task Force information and recommendations, and for updates, please check the website at: www.miidonline.com. If you have any comments, concerns, questions, or information to share, please contact the Task Force directly at: esctfc-miid@shaw.ca

Submitted by Bill Warning, (Chair), on behalf of the Task Force.