

Deep Bay Improvement District
Open House/Information Meeting Notes

June 26, 2019

Attendees: 78 (including trustees, staff and fire department volunteers)

Don Milburn opened the presentation portion of the meeting at 7:00 pm introducing trustees and staff present.

Attendees were reminded of voting dates of July 9 and July 13.

1. Rational was reviewed as to why a new fire hall is being proposed including space constraints and seismic instability of current building.
An ideal replacement truck will not fit in the current building. A shorter truck could be purchased and would likely cost more.
All essential emergency equipment would be housed in the new building making it accessible in the case of a significant seismic event.
2. Construction budget was reviewed noting that the Building Committee has been working on this for over 4 years. A project manager was brought on once drawings were finalized to produce a detailed budget. Maximum loan amount will be \$2 million based on the budget that was developed.
3. Tax implications were reviewed, including a review of feedback received at the May 14, 2019 information meeting. 71% of respondents preferred the provincial financing option and on May 15, 2019, the board passed a motion to proceed with the provincial financing model for the fire hall project.

Application of the assessment based tax was reviewed noting that the annual loan amount will be fixed for 20-years.

There are 640 properties to pay for this project with a total cost to the district over the 20 years of \$2,820,000.

There will be other costs, such as increased operating costs, insurance, hydro etc. Additionally the district will be purchasing a new pumper truck as required by Fire Underwriters Survey (monies have been put aside already for the purchase of this replacement truck).

Any development that comes in will help reduce the tax burden. OCP currently allows for development on the Deep Bay Southwest property.

4. The referendum question was reviewed. This meeting is to ensure that ratepayers can make an informed decision. Each property owner will need to determine if they want to build a new fire hall for the budget presented and the repayment method outlined.

The following is a summary of questions and answers grouped by topic, (not recorded verbatim).

Tax Implications/Repayment Method

Q. If assessed value goes up does the tax go up?

A. No, not necessarily. The annual loan amount is fixed for the 20-year loan period. The province will determine the mill rate each year based on total assessment value in the district. If the total assessed value for the district increases, the mill rate decreases. If all property values go up proportionally, the tax for each property does not change. An individual property may see an increase if the individual property value changes disproportionately from all other properties in the district.

Q. Is this repayment in addition to taxes currently being paid?

A. Yes, this will be an additional tax, applied to the annual property tax bill issued by the province. There will be a line item specifically for the debt repayment amount on each property tax bill. DBID will continue to collect parcel & fire protection taxes to fund capital replacement for both waterworks and fire protection and fire department operating costs.

It is anticipated that the current \$50 building tax will be rolled into the fire protection tax to fund expected increases in operating costs for the new building.

Q. The feedback received from the information meeting was not representative of the population and all properties receive the same response to a call out, so everyone should pay the same.

A. All properties received a specific mail out for the May 14 meeting and there was the opportunity to provide feedback directly to the office on the preferred financing option for those persons not able to attend the meeting.

The board passed a motion May 15, 2019, to go with the provincial funding model – this vote was not unanimous (4-2).

Q. Can the board consider other pay back options with the provincial model?

A. No, the province determines how the loan is repaid.

Q. Can the district make lump sum payments on this loan?

A. A lump sum payment can only be applied if the loan is being paid off in full.

Q. If everyone pays \$3,000 up front we avoid having to finance the build, can we do this?

A. This is not a realistic alternative for everyone in the district.

Q. Can individual owners choose to pay a lump sum up front and avoid financing charges?

A. No, the provincial financing option does not allow individual properties to pay their portion up front.

Why are we building now/Why this plan?

Q. Was there not a step skipped? Rate payers were not consulted on if they wanted a new fire hall.

A. The district has been talking about this project for over 4 years with several mentions in the Pipeline newsletters, the annual reports and presentations at the AGM. The AGM and all regular board meetings are open to the public and information is also available on the website.

The referendum question provides the opportunity for rate payers to decide if they want a new fire hall.

Q. What other alternatives have been considered for the design?

A. The Building Committee, comprised of trustees, fire department officers and community members, have significant experience in the building industry. Numerous designs were considered and construction alternatives including concrete tilt up and wood frame. It was determined that a steel building will be the most cost-effective. The district has recognized considerable costs savings due to the efforts of this volunteer committee.

Several professionals were considered and rejected until the committee found firms willing to work with the committee.

The current building is undersized for all fire department needs but will continue to be utilized for office space, storage and training and meeting space.

Q. How will construction costs be managed? What if the project goes over budget?

A. DBID has hired a construction manager and will have an owner representative overseeing the manager allowing costs to be controlled. We are not using a general contractor so have greater control over each aspect of the build.

If the project goes over budget, the district would have to come back to the rate payers to borrow additional funds.

Q. How long will this proposed building service the community?

A. The design should serve the community for the next 50 years.

Q. The second floor is being left unfinished, who will pay for it to be finished?

A. Development or a community fund raising opportunity could pay for this in the future.

Other topics

Q. Are there no grants available to apply for?

A. Improvement districts are not eligible for infrastructure grants due to long standing provincial policy. The DBID has lobbied our provincial and federal representative to no avail. The RDN will be taking a motion forward to the Union of BC Municipalities to lobby the provincial government to provide equal access to grants for improvement districts. Even so, there are few grant opportunities that apply to new fire halls.

Q. Why don't we join the RDN?

A. If we were part of the RDN, the repayment of any new build would still only be paid for by the properties receiving the service. Dashwood Fire Department is proposing a similar hall and have an estimated cost of \$4 million.

Q. The volunteers do a great job. Do we receive any monies for the highway call we attend?

A. Yes, the calls outside our district are funded through the Provincial Emergency Program.

Q. Can money received from the province for call outside area (highway calls, wild fires) be used towards the building?

A. No, these funds are already being utilized in the operating budget for training and equipment.

Q. What happens if the referendum fails?

A. The board would have to consider their options at that time. This has not be discussed or determined.

The meeting ended at 8:30 pm