

DATE: February 4, 2020

FILE: 1700-02/2020/237

TO: Chair and Directors
Electoral Areas Services Committee

Supported by Russell Dyson
Chief Administrative Officer

FROM: Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Greater Merville Fire Protection Service- Requisition Options

Purpose

The purpose of this report is to provide the Directors with an analysis of the options available regarding the tax requisition for the service and to provide information regarding an accelerated construction schedule.

Recommendation from the Chief Administrative Officer:

This report provided for information purposes only

Executive Summary

The proposed 2020-2024 financial plan for the Greater Merville fire protection service function 237 was presented at the January 27, 2020 meeting of the Electoral Areas Services Committee (EASC). The EASC deferred recommending approval of the financial plan and directed staff to provide an analysis of the impact of increasing the proposed tax requisition to the maximum allowable, with the goal to accelerating the construction of the Greater Merville fire hall.

The proposed 2020-2024 financial plan for the service currently includes:

- Total tax requisition in 2020 of \$415,000, increasing to \$500,000 in 2021 and remaining at that level through 2024.
- A contribution to the capital works reserve of \$8,511 in 2020.
- An estimated residential tax rate of \$0.4699 per \$1,000 of assessed value.
- For a home assessed at \$500,000, a 2020 tax impact of \$234.95.

The recommended 2020-2024 financial plan based on accessing the full maximum allowable requisition could alternatively include:

- Total tax requisitions of \$535,279 per year from 2020 through 2024.
- A total contribution to the capital work reserve of \$128,790 in 2020, an increase of \$120,279.
- An estimated residential tax rate of \$0.6061 per \$1,000 of assessed value.
- For a home assessed at \$500,000, a 2020 tax impact of \$303.05.

Possible advantages of accessing the full maximum allowable requisition may include:

- Less capital borrowing to construct the fire hall.
- Less capital borrowing to equip the fire hall.
- A larger project contingency to address any unforeseen construction costs.

Note: as construction costs are to be funded by interim financing, an increased requisition and contribution to reserve may not directly accelerate the construction of the fire hall. However, an increased requisition would provide additional contingency funds to address any unforeseen circumstances that could cause a delay in the project.

Options

- 1) Maintain the 2020 tax requisition of \$415,000 as presented in the 2020 – 2024 proposed financial plan.
- 2) Increase the requisition to the maximum allowable under the establishment bylaw in 2020 in the amount of \$535,279 and contribute the additional revenue to reserves towards the construction of the new fire hall.

Accelerated construction:

Staff explored other options with the goal to accelerate construction of the fire hall. These options include:

- Prefabrication or modular construction.
 - Construction schedule would not be accelerated as new design drawings and cost estimates for modular units would need to be developed.
- Use of existing drawings recently used by CVRD for construction.
 - Construction schedule would not be accelerated as design drawings and cost estimates would need to be adjusted to meet the requirements of a fire hall building.
- Utilizing similar designs for Mt Washington and Merville.
 - No benefit to construction schedule was identified as the building code requirements for each fire hall are different.

Based on the proposed 2020-2024 financial plan, staff anticipates an elector assent process in June 2020 founded on completed design drawings and refined cost estimates.

Prepared by:

Concurrence:

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