

**SATURNA ISLAND FIRE PROTECTION SOCIETY  
("SIFPS")  
MINUTES OF DIRECTORS' MEETING  
December 29, 2009, at 5:00 p.m. at the Fire Hall**

**DIRECTORS PRESENT:**

John Savage - President, John Money - Vice President, Marlies Petura - Secretary, Ron Hall - Treasurer, Theresa Howard - Controller, Brian Haley, Tom Koochin, Bernie Ziegler, Hugh Grasswick, Lorne Bolton

**Fire Chief:** John Wiznuk

**Recording Secretary:** Marlies Petura

**Guests:** Dawn Wood, Geri Crooks, Wayne Quinn, David Rees-Thomas

**1. CALL TO ORDER:**

John Savage – President, called the meeting to order at 5:00 p.m.

**2. APPROVAL OF AGENDA**

**Motion:** Moved by Theresa Howard that the Agenda of December 29, 2009 be approved.  
**CARRIED**

**3. APPROVAL OF MINUTES**

**Motion:** Moved by Marlies Petura that the minutes of the Directors' meeting of November 18, 2009 and the in-camera discussion minutes of November 18, 2009 be adopted.  
**CARRIED**

John Savage stated that the Board had not decided at the time, if the meeting held by teleconference on November 29, 2009 should be an 'in-camera' meeting and as such the minutes of that meeting have not yet been circulated. The decision was held in abeyance until the next regular meeting based on the final outcome of this meeting.

**4. CORRESPONDENCE**

Marlies Petura reported that there was no correspondence.

**5. MEMBERSHIP**

Marlies Petura stated that no new applications for membership had been received.

## 6. FINANCE COMMITTEE

- a) Board review/adoption of the Toronto Dominion Bank's financing Proposal as presented and recommended by the Finance Committee.

John Savage first asked if the Finance Committee felt that the information within the detailed proposal from the Toronto Dominion Bank ("TD") still fell within an 'in-camera' designation requirement, due to the TD's prior request for confidentiality. Both Bernie Ziegler and John Money agreed that it did not require that this discussion be held 'in-camera'.

Savage then explained that the Directors had been given the first 8 pages of the detailed proposal from the TD and that they would be reviewed in detail, that pages 9-21 of the proposal were basically the TD's boilerplate language for this type of proposal, but that they too would be reviewed by the Directors at this meeting, albeit to a lesser extent. He went on to explain that the Finance Committee had already conducted an exhaustive review of the detailed proposal and that it had found that the items mirrored the earlier proposal from the TD, but with further detail. It was specifically discussed that the credit limits and types of both loans remained unchanged and that the "borrowers option" was explained to be the desire of the TD to have the SIFPS convert the construction loan into a mortgage with that institution upon completion, but that the decision is ultimately the SIFPS'.

The uncommitted "Tenor" for the Construction Loan is due to the fact that it is an uncommitted demand loan. The interest rate of the Construction Loan would be prime rate plus 1%.

It was further discussed that upon completion of construction a Mortgage loan could be taken out; this loan for either a fixed rate, or a floating rate. The fixed rate loan could be for a term of 6 months to 5 years, with the interest rate set based on the rates available at the time of taking out the loan; the floating rate loan would be for a term of 1 year, with the interest rate set at 0.75% above prime rate. In both cases the loan would be amortized over a period of 12 years.

The drawdowns during the Construction Loan had been clarified and remains at up to 5 draws, with a minimum of \$150,000 per drawdown except for the final drawdown.

The current TD Mortgage Loan proposal does not provide for a 10% Capital prepayment option each year; it was determined that the cost of this option is approximately 0.05% added to the interest rate. After discussion and calculations of the cost versus the benefit, including paying a penalty if the occasion arose for prepayment without this option. Based on the cost of this option being a maximum of \$250 per annum, it became evident that there were significant savings in interest alone if a prepayment of 10% of the original mortgage amount could be made, making up for any costs involved with this option. Savage stated that if the Board agreed that having this option would be preferable then it would be added to the resolution.

After further discussion John Money reconfirmed to all those present that the process to get to this point had been done with due diligence and that the TD's proposal was truly the best deal of all the three financial institutions that had provided written proposals. John Savage reminded the Board that a total of eight financial institutions had been approached by the SIFPS and only three had enough interest to submit a written proposal.

John Savage reviewed the clause in the TD's proposal regarding Guarantors and stated that he had confirmed with the TD that no Board member would be required to give a personal guarantee.

Schedule A was briefly reviewed but it became clear that the boiler plate language contained in that document formed the basis of the detailed clauses in pages 1-8.

John Savage then read the resolution and there being no further discussion made the following motion.

**Motion:** Be it resolved that the Saturna Island Fire Protection Society ("SIFPS") does hereby accept the proposal of the Toronto Dominion Bank dated December 22, 2009 in which it proposes the terms under which it will provide the construction financing for the proposed two new Emergency Services Buildings to be owned by the SIFPS with the addition of the 10% Prepayment Option. It is understood this acceptance is subject to the membership of SIFPS authorizing its Board of Directors ("Board") to borrow long-term financing required to finance the construction of these buildings.

**Seconded by:** Theresa Howard.

**CARRIED**

Bernie Ziegler stated that if the buildings can be at lock-up by the end of June it is expected that a much more favorable interest rate for the mortgage can be acquired, as compared to later in the year.

- b) Board approval of the Special Resolution to be presented to the Membership for authorization to borrow long-term debt to build DESB#1 & DESB#2 and determination of date for Membership Meeting.

John Savage read the resolution for the Board's recommendation to proceed with a special resolution as follows:

Be it resolved that the Board of Directors of the Saturna Island Fire Protection Society ("SIFPS") does hereby recommend to the membership adoption of the following Special Resolution:

**Special Resolution**

Be it resolved that effective this date, the Board of Directors of the Saturna Island Fire Protection Society ("SIFPS") is hereby authorized to have SIFPS borrow up to \$500,000 in long-term financing to build and own its two new Emergency Services Buildings.

**Motion:** Moved by Lorne Bolton to accept the wording of the resolutions.

**Seconded by:** Theresa Howard.

**CARRIED**

Savage then read the resolution to request the Board to allow the President to call for an extraordinary membership meeting, as follows:

Be it resolved that the President of the Saturna Island Fire Protection Society ("SIFPS") is hereby authorized to call an extraordinary general meeting of the membership to act on a Special Resolution dealing with long-term financing required for the two new proposed Emergency Services Buildings to be owned by SIFPS.

**Motion:** Moved by John Money to approve the resolution.

**Seconded by:** Theresa Howard.

## CARRIED

The extraordinary membership meeting was set to be held on January 17, 2010 at 11:00 a.m. at the Saturna Island Recreation Centre.

### 7. BUILDING PROJECT COMMITTEE

- a) Board's review/adoption of one of the two final Building Suppliers' final proposals, as recommended by the Building Project Committee.

Brian Haley reported that the two final proposals received from the suppliers were reviewed in detail and further clarifications were sought in order for a comparison of equal components in each proposal to be evaluated. At December 23, 2009 it appeared there was a front runner but on that date a letter was received from one proponent which raised some further issues, as well as offering a 100% bond on labour and materials. Quinn explained that there is a difference of approximately \$11,000 separating the two proposals. Quinn then provided further information about the two proposals and discussions he has had with both suppliers. Discussion ensued regarding issues such as the merits of saving a relatively small amount of money in the purchase price, as compared to other issues such as potential of poor workmanship, poor quality and/or extended timelines.

*(at this point in the meeting, both John Savage and Lorne Bolton declared that they had a potential conflict of interest and left the meeting)*

Discussion continued around the issues of purchase price differential, quality of workmanship, product quality and impact of extended timelines. It was understood and agreed that the Board must be able to properly defend why they issued a contract to a more expensive supplier, should that be the decision. It was also unclear what the bond being offered really entailed. Therefore the Board agreed that it did not have complete information to make a decision. It was decided that Wayne Quinn would contact the proponent and clarify the bond issue.

*(at this point John Savage and Lorne Bolton returned to the meeting)*

It was agreed that a meeting of the Board of Directors *(excluding John Savage and Lorne Bolton)* would be held tomorrow, December 30, 2009 at 4:15 pm to finalize the decision regarding selection of the building supplier.

### 8. FIRE CHIEF'S REPORT

John Wiznuk asked that in order to save time at this meeting, that the following Fire Chief's report be entered into the minutes:

#### **Operations:**

I have no intention of listing every call we made this year but as a year end overview I'd like to illustrate the variety of page outs that we have attended. The majority of calls were to assist Saturna Island Rescue ranging through chest pains, to imminent birth, to lift assists, and assorted others. We dealt with two motor vehicle incidents, fortunately without major injury. We've dealt with a brush fire and a camper fire and many "power lines down" calls. The firefighters have participated in several community events; some to enhance fire safety awareness and some just for fun. We've had a slightly comic horse rescue and the terrible tragedy of a float plane crash in

Lyall Harbour with the loss of six lives. Through all this your fire fighters have shown patience, professionalism, self-discipline and received praise from the public and other emergency responders. I look to the upcoming emergency services buildings as a way for the SIFPS and the community in general to show concrete appreciation for the efforts of our volunteers.

**Training:** There are now three firefighters, Tony Simmonds, Kevin O'Hara and Peter Clark, who have completed and passed with high marks NFPA 1001 training Level 1 and 2, with Pender Fire Rescue. This professional standard of training is what is being asked for by provincial authorities and we are well on our way to meeting this challenge. I will continue to encourage the firefighters to take this training, expecting to have one more complete this year long course in 2010 and have others acquire parts of the course, as their work schedules will allow.

Our rope rescue team has dedicated one day a month for specialized training and has participated in interagency exercises which showed to advantage on the November 1<sup>st</sup> rescue. An emphasis on communication and radio skills on training nights paid off in dealing with searches associated with the float plane crash and gained favourable comment from other responder agencies.

**Financial:**

\$2600-\$3000 for work on Rapid 2 pump? Has there been an invoice for this?

An invoice from Pender Fire/Rescue for \$2100.00 for the Live Fire module of the NFPA training for three firefighters. One more for First Responder emergency medical training for the same three firefighters will be coming.

An invoice from The Justice Institute of BC for administration costs related to the NFPA training \$55.00.

December spending: two pails of Class A foam concentrate, under \$200, four flashlights, under \$200., Two lengths of hose, under \$200.

Chief's honourarium.

**Other Business:**

I look forward to an increase in fire dept. membership in recruit firefighters and communications volunteers and continuing to enhance our efficiency and esprit du corps as a community organization.

John Wiznuk, Fire Chief

Due to the late hour John Savage proposed the remaining agenda be shelved until the next regular meeting.

**9. NEW BUSINESS**

There was no new business.

**10. DATE OF NEXT MEETING**

The next meeting will be January 16, 2010 at 10 a.m. at the Fire Hall

**11. ADJOURN**

**Motion:** Moved by John Money to adjourn the meeting at 6:45 p.m.

**CARRIED**

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John Savage, President

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Marlies Petura, Secretary