

SATURNA ISLAND FIRE PROTECTION SOCIETY
(“SIFPS”)
MINUTES OF EXTRAORDINARY DIRECTORS’ MEETING
February 7, 2010, at 7:00 p.m. by teleconference

DIRECTORS PRESENT:

John Savage - President, John Money - Vice President, Marlies Petura - Secretary, Ron Hall - Treasurer, Theresa Howard-Controller, Hugh Grasswick, Brian Haley

Recording Secretary: Marlies Petura

John Savage called the meeting to order at 7:10p.m., and outlined the purpose of the meeting. Correspondence has been received from the Capital Regional District (CRD) regarding the submitted 2010 budget. Savage read the following from that correspondence,

...”The CRD Board and the Southern Gulf Island Director have seen the provisional budgets and have requested reductions where possible. The Director has also had inquiries from residents of Saturna about the fire budget in particular and since the increase in requisition for 2010 is over 10% we need more information from you before the budget can be approved.”

Savage proceeded with providing the history of SIFPS and the role CRD plays within the structure of SIFPS and it’s financing. In 1993 the residents of Saturna expressed their desire not to have their fire protection under the control of the CRD and as a result SIFPS was created. SIFPS was to provide the fire prevention and suppression services on Saturna Island and the financing of these services was to come from property taxation through the CRD. From the outset the SIFPS’ position has been that the CRD is basically a conduit for these tax revenues, that the SIFPS would requisition an amount, based on its budget requirements and that the CRD in turn would requisition this amount from the Surveyor of Taxes and upon receipt forward the funds to the SIFPS. On the other hand, the CRD’s position has been that it must approve the SIFPS’ budget – this is the crux of the disagreement between the two organizations. CRD by-law #2165 was originally established in 1993; it set the rate of the mil rate. A further referendum held on Saturna in 1999, increased the mil rate, CRD Bylaw #2734, which in turn revised the maximum rate to be the greater of \$73,500 or 0.85 per \$1000 of assessment.

Discussion ensued among the Board regarding both the request and the related history. It was stated that there have been multiple instances of the CRD assuming that they have the right to approve/disapprove of SIFPS budgets in the past, each time SIFPS has actively taken the position that it does not agree that the CRD has these powers. A few years ago the CRD was withholding requisitioned funds from the SIFPS and it is understood that the SIFPS directed this issue to the Minister of Municipal Affairs – it is believed the outcome was that SIFPS agreed to provide the CRD a copy of its budgets and the CRD agreed to provide the funds as requisitioned. A comment was made that to have to revisit this issue of control, time and again with the CRD is upsetting to the community. It was also pointed out that the likely reason for the communication from CRD was the complaint received from a citizen of Saturna, regarding the increase to the SIFPS’ 2010 Budget.

Savage stated that in light of the finalizing of the imminent loan arrangements it would be prudent to have a face-to-face meeting with CRD as quickly as possible. He further suggested that SIFPS should maintain its position that the CRD does not have the right to approve/disapprove of our budget and that this meeting would be without prejudice in that regard, but at the same time we would explain the SIFPS’ current initiatives and requirements, which in turn should give the CRD some comfort regarding its 2010 Budget requirements. That we should also provide them with the result of the Special Membership Meeting, which approved the Special Resolution to borrow long term financing by

an overwhelming vote of 66 to 2. It was also discussed that if the meeting with the CRD was unsuccessful and they would not process our funding requisition for 2010, then the SIFPS Board would take the appropriate steps to inform the public of the CRD's actions and that it is jeopardizing the project that the residents of Saturna want and have voted to have.

Motion: Moved by John Savage that a meeting be held with the CRD aimed at resolving this issue, by helping the CRD understand SIFPS current initiatives and budgetary requirements, while at the same time stating that SIFPS maintains its historic position regarding its relationship with the CRD, that the CRD does not have the right to approve/disapprove our budgets but that the CRD is basically a conduit for tax revenues established by the SIFPS, provided these funds come within the set parameters of the bylaw.

CARRIED UNANIMOUSLY

It was agreed that John Savage, John Money and Brian Haley arrange for a meeting with the CRD, this meeting to be aimed for Thursday February 11, 2010 at the latest.

John Savage then reviewed details of the February 5, 2010 letter received from Permasteel clarifying the terms of the guaranteed bond. The letter was received, reviewed and accepted by the Board.

John Savage adjourned the meeting at 7:25 p.m.

CARRIED

John Savage, President

Marlies Petura, Secretary