

SATURNA ISLAND FIRE PROTECTION SOCIETY (SIFPS)

ANNUAL GENERAL MEETING (“AGM”) MINUTES

June 27, 2010 at 11:00 a.m. at the Recreation Centre

DIRECTORS

John Savage-President, John Money-Vice-President, Marlies Petura-Secretary,
Theresa Howard-Controller, Lorne Bolton, Tom Koochin, Bernhard Ziegler, Hugh
Grasswick

FIRE CHIEF – John Wiznuk

SIR CHIEF – David Rees-Thomas

Recording Secretary – Marlies Petura

There were 54 people in attendance when the meeting started.

1. CALL TO ORDER

President John Savage called the meeting to order at 11:15 a.m. and introduced the members of the Board.

2. DETERMINATION OF A QUORUM

John Savage determined there was a quorum present, as only three persons in attendance would meet the requirement in the bylaws.

3. APPROVAL OF THE MINUTES OF THE ANNUAL GENERAL MEETING

OF SEPTEMBER 6, 2009

The minutes of the September 6, 2009 AGM were presented for approval by John Savage.

Motion: Moved by Lorne Bolton and seconded by Sue Syverson to adopt the AGM minutes of September 6, 2009.

CARRIED

4. BUSINESS ARISING FROM THE MINUTES

John Savage stated he was not aware of any business arising from the minutes and none were presented from the floor.

5. PRESIDENT’S REPORT

John Savage presented his President’s Report (report attached) covering the past 9 months, which included:

- The result of the Grant application
- The progress and anticipated critical path of the building project

- The inclusion of Saturna Island Rescue (SIR), within SIFPS effective April 1, 2010
- SIR will be housed in the new ESB#1 building along with the Fire Department which will provide the community a strong integrated approach to emergency services in a proper facility
- The milestone events required to proceed with the building project
- The efforts and dedication of the volunteers of the Fire Department and SIR, including the giving of significant personal time for training and who are the reason the Society exists
- The increased workload for Board members necessitated the formation of Standing Committees
- The focus for the next few months will be both the quality of the work and the cost of the work related to the Building Project
- Recognition of all the members of the Board of Directors for their dedication and hard work over the past year
- Recognition and thank you to the retiring Board member, Marlies Petura
- Recognition of the support of all the members of SIFPS and the citizens of Saturna who all have contributed to the building project as they are taxpayers

Motion: Moved by Al Sewell and seconded by Susie Washington-Smyth to accept the President's Report.

One member Paul White voted against the motion.

CARRIED

6. STANDING COMMITTEES' REPORT

John Savage presented the Standing Committees' Report (report attached), and reviewed the mandates of each Standing Committee, the head of each committee, and the members of each committee. Savage then highlighted the activities each committee was involved in during the past 9 months. An omission of Ron Hall's name from the Building Committee was noted.

Len Horne asked why the Nominating Committee was not part of the Standing Committee structure. He felt that the current Nominating Committee did not have enough time before the AGM to solicit new people to run for the Board seats. He would like to have a motion to make the Nominating Committee become a permanent committee within the Board.

John Savage replied that this motion would be better placed either in New Business or at the time of the Nominating Committee Report. Mr. Horne agreed to this deferral.

Motion: Moved by Carol Money and seconded by Susie Washington-Smyth to accept the Standing Committees Report.

Discussion:

Marcia Harter asked where the privacy policy could be found; John Savage responded that it was posted on the Website. Ms. Harter then asked if there was a reserve price on the sale of the old Fire Hall. John Savage stated that the reserve price is \$155,000, which is the appraised value. Ms. Harter went on to request the process of how the building supplier was chosen. Savage reviewed the process and that in the end it had boiled down to two suppliers.

Dianne Robertson asked what happens if the work comes in over the contracted price. Savage replied that the contract would not allow for this, the only overage of a contracted price would be for change orders that SIFPS had requested.

Marcia Harter asked how members of the standing committees were solicited and why are they only Board members. John Savage confirmed that he solicited the Board members to the relevant committees, as in the past committees were formed ad hoc, and this new system provides for a more formal approach.

Ms. Harter suggested that the Board should advertise for volunteers from the community to serve on these committees rather than Board members.

Barbra Grasswick commented that all major corporations who have standing committees comprise those committees with Board members.

Al Sewell commented that the structure of the Board and the committees is correct.

John Savage then called for the vote.

One member Paul White, voted against the motion.

CARRIED

SIFPS – ANNUAL GENERAL MEETING June 27, 2010 4

For approval at the 2011 AGM

7. FINANCIAL REPORT

John Savage presented the financial report for the one year period ending December 31, 2009, (report attached). Savage drew attention to the Notice to Reader page, which states that the accounting firm is providing the financial statements on the basis of information provided by the Finance Committee and the Board. He also reviewed the highlights on each of the reporting pages; Assets, Revenues and Expenses, as follows:

Net Assets: End of Year \$291,144

Restricted Capital Assets \$ 80,503

Total Revenues \$282,567

Total Expenses \$176,643

Cash and Term Deposits – End of Year \$236,276

He then reviewed in detail the Notes to Financial Statements, especially the Commitments section.

Motion: Moved by Suzie Washington-Smyth and seconded by Keith Howard to adopt the financial statements

Discussion:

Diane Robertson commented that the information provided by the Society is not always clear to the public. In future information to the general public should be over-explained. Savage responded that this is something the Board recognized and that is why a Communications Committee was established recently. He added that he accepts responsibility for not always promoting inclusivity, however, now there is a strong commitment to do that in the future and the Board has worked hard at establishing transparency.

Savage went on to say that he personally strongly believes that it is up to the members to either elect, or not, the slate of nominees for the Board and the Board is then responsible to manage the society; he explained that he is not a proponent of management by referendum.

A question from the floor was raised as to the maintenance costs of both new buildings and why those are not reflected in the financial statements.

John Savage explained that currently the property assessment levy of 85 cents per \$1000. of assessed value, supplies approximately \$204,000 in tax revenue per year to the Society. Of that, approximately \$100,000 is required to operate the fire department and SIR. To service the long term debt and pay it off in 10 years requires approximately \$60,000 per year. This leaves approximately \$40-43,000 for capital expenditures and to maintain the buildings and possibly to pre-pay the debt, shortening the repayment of the mortgage. Since both buildings are new, very little repair/maintenance will be required for the first few years.

Question from the floor asked why there are no donations from the various fundraising events noted in the financial report. Hugh Grasswick clarified that the fundraisers held throughout the year by the firefighters and the monies received from those fundraisers belong to the firefighters and not the SIFPS.

Another question from the floor asked why the depreciation is set at 30%, which seems too high. John Savage stated that for our purposes depreciation does not affect the SIFPS cash position, as it is a non-profit society and therefore does not benefit from the expense aspect of depreciation.

Lorne Bolton explained that the depreciation is a method of amortization of an asset over its useful life. For our purposes the rates have been kept higher as it is better to have too much rather than too little in the event of disposition of the assets, especially if more money is received for the asset than what it was worth at disposition. It is now a requirement under the new Accounting System Standards Board regulations that the Society must show the cost of fixed assets and depreciation. The depreciation rate of 30% is currently applied to the storage shipping container.

Al Sewell added that revenue from taxation will rise with the increase of the value of properties on the island.

Tom Johnstone stated that the depreciation rate on the new buildings will be in the range of 2-3% once the buildings are occupied.

Paul White stated he objects to the harsh disclaimer in the Notice to Reader and can not approve the financial statements as they are comprised only of information that the Society provided and are discounted by the accounting firm in the Notice to Reader.

John Savage replied that the Notice to Reader is standard accounting language and process. Al Sewell stated that a full audit could cost up to \$50,000 and the Notice to Reader language is standard language in every financial statement and does not mean that the accountants don't look at the figures supplied. Lorne Bolton added that there are three levels of accounting review, each progressively more detailed and more expensive. These three levels are, Notice to Reader, Review Engagement, and Full Audit. Bolton stated that a full audit for our Society would most likely cost \$25,000-\$30,000. The Board has chosen not to have a full audit as the money is required for the building project.

Lorne Bolton pointed out a typographical error on Page 2 of the Statement under the heading 2008, there should not be a "note 7" as this does not exist it should be Note 6, this error also appears on Page 4.

A question from the floor asked if the Honorarium for the Fire Chief will be increased and if an Honorarium for the SIR Chief will be established.

Savage stated that will be for the future Board and the Operations Committee to discuss.

Priscilla Ewbank asked if the \$5000. Payment to the Recreation Centre covered the utilities used by ESB#1, heat, water and sewer. John Savage replied that it has now become apparent that the geothermal field will not be available for use by ESB#1 and therefore this amount will need to be reviewed. Bernie Ziegler stated that the utility fee also included the power supplied to the construction project underway as well as the parked ambulance. He went on to say that this amount will be adjusted up or down every 5 years. Al Sewell added that the original agreement regarding this will also end if the Recreation Centre is ever turned over to any government or tax body. Diane Robertson asked that when there is a change to this \$5000 payment to the Recreation Centre that the process of the change be specifically communicated to the community.

Paul White stated that regardless of the cost of an audit, the financial statement is a niggardly sample of information only supplied by the current Board. He would want to see line items extended and an accounting firm do at minimum a Review of Engagement to sample the information provided given the magnitude of the cost of the project. He can not approve this statement.

Sue Syverson gave an example of the cost of accounting reviews when she described that as treasurer of an improvement district comprised of 17 people and writing approximately 20 cheques they are required by law to have a full audit. She explained that the Review Engagement costs \$1600 and speculated that a Review Engagement for SIFPS would probably cost \$10-15,000. She then asked, do the members of SIFPS want to spend this kind of money, that is taxpayer money, when the money could be put to better use? She explained that she felt the members of SIFPS should be able to trust the Board and look at the fact that if there is malfeasance within the Board it would take more than one person to perpetuate this.

John Savage then called the question.

One member Paul White, voted against the motion.

CARRIED

8. NEW BUSINESS

Jim Bavis reported on the house numbering campaign and will be accepting applications and cheques after the AGM. He stated that this will be the end of the program and approximately 150 of the island's homes now have house number signs.

A member asked if SIFPS will talk to Parks Canada to cut the grass at East Point as they are letting it grow and only cutting pathways through it. He is concerned that a tossed cigarette will cause a wildfire and threaten his and other homes in the East Point area.

Savage stated that the Operations Committee will look into this.

Standing Nominations Committee:

Motion: Moved by Len Horne and Seconded by Lin Cunningham, to have a Standing Nomination Committee be a permanent part of the Board and to be constantly seeking new Board Members.

CARRIED

Mail-In Ballots:

Motion: Moved by Susie Wahington-Smyth and seconded by Sue Syverson that the Board consider amending its bylaws to allow for mail in ballots.

Discussion:

Susie Washington-Smyth stated that many property owners are nonresidents of the island but pay taxes and are stakeholders. Carol Money stated she is a strong believer in town hall meetings, where items are

discussed by the members as it is important to get involved and hear all points of view as they are presented. She respects part-time residents who are taxpayers and contribute in many ways, but noted that SIFPS endeavours to get Notices out to members well in advance and hopefully continue to have the meetings in the summer when most of the non-residents can be here. Bill Schermbrucker stated he is a member of a writers' organization of 2000 members and only about 150 people show up at the AGM. This issue has been debated by his organization as well. It is important to be at meetings as it is the only way to receive the information and be able to make an informed decision on the matters being presented for a vote. He agreed with Carol Money and that the measures taken by SIFPS up to this point were sufficient and have transparency.

Al Sewell supported both Mr. Schermbrucker and Ms. Money and that many times there are amendments to be voted on, which would not be handled effectively by a mail in proxy, this would be cumbersome and unnecessary.

John Savage added that any amendment to the bylaws would require a special resolution at a membership meeting, not just a meeting of the Directors.

Savage then called the question.

The vote was 19 votes for and 23 votes against.

MOTION DEFEATED

Beverly Vreeswijk commented that she had environmental concerns regarding the fragile ecological areas around ESB#1 site. She asked that the construction be cognizant of limiting further damage to the area and being more careful. She noted that fencing can be provided by the CRD to protect the area and limit further damage. John Savage asked her to meet with the Building Committee after the meeting.

Priscilla Ewbank asked what landscaping will be done since ESB #1 is in such a public area. She went on to ask how the Nominating Committee solicited people.

John Savage replied that several people on island were solicited and there are two strong candidates being put forward for the two vacant positions. Savage stated that landscaping has purposely not been pursued until the completion of the buildings, as only then one can see what is required. John Money stated that the Building Committee will be soliciting input on design and it will be dependant on how much money is left in the budget for landscaping.

Ms. Ewbank asked if anymore trees will be taken down. Money responded that the plan is to keep as many trees as possible, but some may need to be taken down for parking. John Savage added that the ESB#2 restrictive covenant needs to be adhered to. Priscilla Ewbank asked what the timing is. John Money responded that as soon as the buildings are functional.

Diane Robertson asked if funds were set aside for landscaping then how can there be a discrepancy between the budget and the actual contract costs. John Savage explained that until all contracts are obtained for the remainder of the project it won't be known how much money will be left.

Phil Mesner stated he lives next door to the ESB#2 site and it is a nice looking building so far. He has been told that he will be given an opportunity to have input on the landscaping and chooses to trust the people on the Board.

Al Sewell stated that it is best to wait until the buildings are done and settled before attempting landscaping, to be sure that the landscaping doesn't need to be ripped up in order to correct other issues.

A comment from the floor was made that it was hoped that as a community we could come together to put the landscaping in place when it is required by contributing time and efforts.

9. APPROVAL OF ACTS OF DIRECTORS FOR THE PERIOD SEPTEMBER 6, 2009 TO JUNE 27, 2010

Len Horne commented that he wished to commend the Board as he has gone through the minutes and is impressed with the diligence that the Board has employed in choosing these buildings. They may not appeal to everybody but they will be functional buildings and will accommodate a much larger community ten times what we need. He commented that at Ocean Park there is a fire hall with two bays made of wood not as large which is surrounded by a multiplicity of multi-million dollar homes. Horne went on to say that although there has been some increase in the transparency of the Board, he wants assurance that information will always be available to the members.

John Savage replied that this is specifically why the Communications Committee was established. He stated that in the past year or two the Board has purposefully disseminated information, such as establishing the website, posting notices, articles in the Scribbler and other actions that show that SIFPS is a fundamentally transparent organization that keeps its members informed of what is happening. Mr. Horne stated that since he has begun to ask for information both he and Mr. White have received substantially most of the information that they requested. The way the Board has handled these two buildings, although he thinks they are overkill, has been transparent. Motion: Moved by Susie Washington-Smyth and seconded by Carol Money that the Acts of Directors for the period September 6, 2009 to June 27, 2010 be approved.

Discussion:

A question from the floor asked what exactly was being approved, just what is in the information package or other actions the members aren't aware of. Savage stated that the actions include everything that the Directors have approved since the last AGM.

John Savage then called the question.

Two members voted against the motion.

CARRIED

10. REPORT OF THE NOMINATION COMMITTEE

Hugh Grasswick presented the Nomination Committee Report (report attached). He stated that it is important to note that the members of the Board are selected not by Board members but by the vote of the members of SIFPS. Grasswick informed the members that with all but one current Board member willing to stand for re-election, this left two vacant positions in the 11 member Board, which he and the other members of the nomination committee comprised of himself, Ron Hall and John Savage needed to fill. The Committee canvassed about 6-7 people and out of those only 2 were willing to commit the time this takes and allow their names to stand for election.

Grasswick then presented the biographical information for each of the current Board members as well as the two new candidates. The names of the nominees are:

Lorne Bolton Hugh Grasswick Brian Haley

Ron Hall Theresa Howard Tom Johnstone (new)

Tom Koochin John Money John Savage

Ted Syverson (new) Bernie Ziegler

Mr. Grasswick pointed out that this slate of candidates is strong both individually and collectively.

Motion: Moved by Hugh Grasswick to accept the nominations of the candidates with the exception of him, as he did not feel comfortable nominating himself, for the Director positions of Saturna Island Fire

Protection Society for the 2010-2011 year.

Motion: Moved by Al Sewell and seconded by Lorne Bolton that the nominations include Hugh Grasswick.

John Savage then asked if there were any nominations from the floor for the 11 positions of the Board.

Marcia Harter nominated Len Horne. Len Horne declined.

Savage repeated the request for nominations from the floor.

A member nominated Al Stonehouse. Mr. Stonehouse declined but would like to be considered in future.

Diane Robertson stated that the Board seems to be made up of solely of people who have executive and financial experience and that better representation of ordinary people on the Board should be considered.

John Savage stated that over the last three years, contacting a variety of people on the island to become Board members, he expressly tried to do just that. Savage went on to say that the Board requires a certain skill set to ensure a viable Board that can get things done. But he also explained that one does not want a bunch of “yes men”, or a group where everyone thinks exactly the same way. Savage stated that the current Board may have many similarities however, in many ways there are significant differences and that results in good strong discussions about issues. Mr. Savage assured the audience that the Board is not alienated to this suggestion.

John Savage then called for nominations from the floor a third time. There were no further nominations from the floor and Savage declared nominations closed.

11. ELECTION OF DIRECTORS

Based on their having been no further nomination, John Savage declared those nominated as elected by acclamation and the 11 nominees to be the new Directors of SIFPS.

12. RESIGNATION OF DIRECTORS

John Savage stated that it is a requirement that all Directors resign at the end of this meeting and the new Board begins.

13. THANK YOU TO RETIRING DIRECTORS

John Savage again thanked retiring Director Marlies Petura.

14. ADJOURN

The meeting was adjourned at 1:05 p.m.

Motion: Moved by John Savage that the meeting be adjourned.

CARRIED

John Savage, President Marlies Petura, Secretary

Appended to the Minutes:

President's Report

Standing Committees' Report

Financial Statements for the period Jan.1 to Dec. 31, 2009

Report of the Nominating Committee

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SATURNA ISLAND FIRE PROTECTION SOCIETY (“SIFPS”)

PRESIDENT’S REPORT

Presented at Annual General Meeting – June 18, 2011

Again this year, SIFPS has been very busy since our last Annual General Meeting, held in June 2010. A number of items that the Board has been working on for the last four years have now been completed, or are very close to completion. At our last Annual General Meeting, the construction of the two new Emergency Services Buildings (ESBs) was underway. On behalf of the SIFPS Board, I am happy to announce that they were completed ‘on time and on budget’, with occupancy February 15, 2011. The Official Opening of both ESBs was held today – the equipment and gear for the Saturna Island Volunteer Fire Department, Saturna Island Rescue, Parks Canada Wildfire resources, and Saturna Emergency Preparedness is all stowed and ready for use. In my last report, I said “We look forward to reporting to you at the next Annual General Meeting that the Building Project is finished, and that it was successful.” – with a few minor exceptions, it is finished, and it was successful!

At long last we have established the desired integrated approach to emergency services on Saturna – now comes the fine tuning. This major milestone was achieved while other parts of the SIFPS Board of Directors put their attention to other important issues including:

- finalizing the long-term mortgage financing, ensuring it allows for pre-payment
- renewing insurances at favourable rates
- obtaining the lease payment from Southern Gulf Islands Emergency Management Commission (CRD)
- finalizing the lease with Parks Canada and obtaining the payment
- selling the ‘old Fire Hall’
- preparing for the Official Opening of the ESBs
- ensuring current communications regarding the status of SIFPS

These were all in addition to the SIFPS’ regular function – to support and guide the Fire Department, and the SIR in the planning, and execution of their functions – in their provision of emergency services to Saturna.

As I said at this time last year, “It is important that we stop and think about that – the true reason we are here today, is not because of all of the excitement about constructing new buildings – it is that we have a lot of volunteers who live beside us and are ready to come and help us when we need it most – they spend many hours over the year training and preparing for that one short time when they can make all the difference in the world to us – it is important that we remember that is really why we are here.” – there is no change to this – this is ‘where the rubber hits the road’!

The workload of those who volunteer as SIFPS Board members has continued to increase substantially each year, for the last 4 years – frankly I am hoping and expecting that the workload will begin to lessen somewhat now. Over the last year, the SIFPS Board ‘Standing Committees’

– Operations, Building Project, Corporate & Administration, Finance (for the project), Financial Reporting, Current Hall – Sale, Communications, and Nominations committees have continued to work very well for the society. Each Director is a member of one or more of these committees.

Each committee has a specific mandate and responsibilities and one of the committee members is the Head of the committee. This has given the Board clarity of direction – we all know what we are responsible for and who is part of it with us. The full Board usually only meets once each month for 3-4 hours, but the committees meet as frequently as required – over the last year the Building Project committee has met very frequently, and you have seen the results. Each committee reports back to the full Board at the monthly meeting, or earlier if necessary. A number of these committees will stand down after this meeting, as they have done their work (e.g. Building Project Committee, Financing Committee, Current Hall – Sale Committee), but will be replaced by some new committees (e.g. Asset Management Committee, Human Resources Committee) as the focus of the Board changes from the construction of buildings, establishment of financing and leases, etc, to ensuring the proper maintenance of the assets (e.g. buildings, vehicles, equipment), as well as providing support to the volunteers in the various areas of human resources (e.g. consistent training methods and standards).

I want to take this opportunity to thank all members of the Board of Directors for their countless hours, in meetings, and for the many other times when they are conducting their duties (e.g. seeking and interacting with contractors to arrange to get the work done, talking with the bank, arranging insurance renewals...) – there has been a lot of that again this year. Four of the Directors elected last year are not standing for re-election today:

Lorne Bolton – was on the SIFPS Board when it was first established in 1994 and then rejoined the Board as President in 2007, when after a period of retirement, he led a group of us to join the Board focused on the vision of establishing 2 new Emergency Services Buildings

Hugh Grasswick – was on the SIFPS Board when it was first established in 1994 and then rejoined the Board in 2007, as part of the group focused on the vision of establishing the 2 new Emergency Services Buildings; during this last time on the Board, Hugh was Head of the Operations Committee

Brian Haley – joined the SIFPS Board in 2009 and provided a strong focus on the planning for the construction of the new ESBs; Brian was the initial Head of the Building Committee and led it through the difficult period of getting the project started

Tom Koochin – joined the SIFPS Board in 2007 and brought his strong construction background to greatly assist in the construction project, especially in its initial planning

Frankly, I find it difficult to express the full appreciation that is due to these people from the community – we thank you for your leadership, your time, and your unyielding commitment, to see this building project through to its completion!

Again this year, I also take this opportunity to thank you, the members of SIFPS and citizens of Saturna – we all contribute in our own way – each of us pay taxes to support all of this activity – without the tax monies, this would not be happening – that’s the bottom-line.

The Standing Committees’ Report will give a little more detail regarding the specific activities in their areas of responsibility.

John W. Savage, President - SIFPS

SIFPS – BOARD STANDING COMMITTEES

2010 – 2011 – ACTIVITY REPORTS

Each of the following committees is responsible for its assigned area(s), ensuring its operation in an effective manner, within the established budget. Each committee reports to the full Board of Directors at the monthly meeting of the Board, or sooner if necessary, seeking full Board approval as warranted:

* denotes Committee Head

Although not necessarily named, the President and Vice President are de facto members of all committees.

OPERATIONS – STANDING COMMITTEE

Oversees all activities related to the operations of the Fire Department and Saturna Island Rescue Services (SIR). Coordinates with the Fire Chief and the SIR Head on the development and prudent application of the associated budgets, both operating and capital.

*Bernie Ziegler Theresa Howard Ted Syverson Eva Hage

1. Operations Budget

In coordination with the Fire Chief and SIR Chief, prepared budget items that pertain to the overall physical operation of the two departments, including equipment maintenance, purchase of new equipment and training.

2. SIVFD & SIR

- negotiated road access to GINPR with Parks Canada during emergencies
- completed tanker truck chassis sale
- completed sale of container at old fire hall for \$4,200 worth of road crush for ESB #1
- established joint Occupational Health and Safety Committee with two members from the volunteer fire department (Linda Cunningham and Bill Schermbrucker) and two from the board (Ted Syverson & Bernie Ziegler)
- negotiated cleaning contract for new ESB's
- finalized equipment purchases for the new ESB's, not part of the actual construction of the buildings, such as furniture, washers, dryers, uniform shirts, turn-out gear, etc
- continue to work closely with both Chiefs to ensure the operational status of all equipment is properly maintained and inspected
- continue working on a complete computerized equipment inventory 2010 Page-outs SIVFD: Medical Assists-11/Chimney Fire-1/Vessel sinking in Lyall Harbour-1/Downed/live Hydro wire-7/Motor Vehicle Incidents-1/Alarm/false alarm-1/ Fuel leak from vessel-1/Storm Damage-1/False report of oil or fuel spill-1
Total page-outs: 25 2010 Page-outs SIR: 34

BUILDING PROJECT – STANDING COMMITTEE

Oversees all activities related to the preparation for, and building of, the two new emergency service buildings. Supervises the Project Manager and construction supervision, ensuring all activities are conducted in an effective manner, within the established budget and approving payments for same.

*John Money Tom Koochin Brian Haley Ted Syverson Ron Hall

Bernie Ziegler Theresa Howard

The building project is now basically complete, with a few remaining outstanding issues in the process of being finalized (e.g. landscaping & signs, water catchment, blinds, flooring & painting at ESB#2, and antenna tuning). Simply put, although the project had its challenges, as any large project does – it was finished ‘on time & on budget’ – occupancy was effective February 15, 2011 and it appears that the Net Cost will be approximately \$20,000 (or 1.5%) below Budget.

The Building Project Committee undertook the management of the project, with different committee members stepping up at different times to shoulder large workloads. In addition, all of the project’s contractors, suppliers and consultants deserve great thanks for their good quality work, at a fair competitive price, as well as their consistent support of the project – including some making large donations to assist with the project’s cost. Based on their design and construction, Saturna now has two new Emergency Services Buildings of a quality and scope that should serve the community’s needs for decades to come.

Upon the completion of the few remaining outstanding issues, this SIFPS committee will stand down.

FINANCE – STANDING COMMITTEE

Arranges appropriate financing for the building of the two new emergency service buildings; coordinates with the Building Project Committee to optimize cash flow.

*John Savage Bernie Ziegler John Money Brian Haley

Ron Hall

1. Maintained up-to-date effective communication with the TD regarding the status of the building project.
2. Submitted and received required and timely draws on established construction loan.
3. Ensured payment of the \$30,000 lease amount from the Southern Gulf Island Emergency Management Commission (CRD).
4. Ensured payment of the \$110,000 lease amount from Parks Canada.
5. Established a Long-Term Mortgage with the TD Bank, based on: 5 Year Term – 10 year Amortization \$250,000 @ a fixed rate of 5.219% – annual 10% pre-payment allowed \$ 50,000 @ ¾% over prime – allows full pre-payment at any time
6. Construction Loan to be fully repaid upon SIFPS’ receipt of HST rebate. With its work completed, this SIFPS committee will now stand down.

CORPORATE & ADMINISTRATION – STANDING COMMITTEE

Identifies issues requiring new or changed systems, procedures, and/or standards, developing and implementing solutions and/or recommendations for same. Conducts renewal of all Insurances.

*Tom Johnstone Eva Hage Ron Hall

1. All insurances were renewed, including the provision of fire, earthquake and other named coverages for all of SIFPS fixed assets, as well as provision of liability coverage for the operation of the fire department, rescue group, officers and directors; accidental death and dismemberment coverage for the volunteers was also renewed. It is noted that the fire and earthquake insurance rate for the new ESB #1 is 60% less than was the rate on the ‘old firehall’.

2. An investigation was begun into obtaining a properly secured system for retention of SIFPS corporate records. It is expected this will be finalized during the 2011-2012 year.
3. Activity has commenced to finalize the transfer of ownership of the ESB #1 site to SIFPS. Associated discussions have been held with the Saturna Recreation Centre Society and steps taken in readiness to apply for appropriate regulatory approvals.
4. Discussions have been held regarding SIFPS' relationship with the Capital Regional District.
5. The lease with Parks Canada for a section of ESB #1 has been finalized and payment received.
6. SIFPS was represented at a meeting of various Saturna organizations, with the aim being to lessen the collective cost of various insurances; the group determined no further action was warranted.
7. Further research will be conducted regarding establishment of a First Responders Agreement with the Emergency & Health Services Commission.

CURRENT HALL – SALE – STANDING COMMITTEE

Develop a sale process and upon approval implement it (incl. preparation of comprehensive information package to bona fide potential purchasers).

*Bernie Ziegler Lorne Bolton John Savage

1. A sales process that was open to the public and transparent was developed – an auction of qualified bidders. The process required that to become qualified, a bidder had to initially present a certified deposit in the amount of \$10,000 with his/her initial bid. All qualified bidders would then be able to bid in the auction. The successful qualified bidder would then have to increase his/her deposit to \$25,000 and the unsuccessful bidders would receive their money back.
2. A comprehensive information package was developed, including relevant data about the Old Fire Hall, such as appraisals, surveys, property descriptions, photos, legal documents, as well as information covering the bidding process, escrows, down payments, the closing and the auction itself.
3. The auction of the old Fire Hall was held on Saturday, August 14, 2010; it was attended by three qualified bidders and/or their representative, as well as some interested members of the community. The auction resulted in the Old Fire Hall being sold to the highest bidder, Money Family Projects Ltd., with their bid of \$206,000, \$51,000 over the appraised value.
4. The legal transfer of the Old Fire Hall to its new owners was managed through SIFPS attorney; with the closing and transfer effective February 15, 2011, as planned.

With its work completed, this SIFPS committee will now stand down.

MEMORANDUM OF UNDERSTANDING WITH SCC – STANDING COMMITTEE

Continue implementation of MOU, including final determination of SIR status (part of BCAS or SIFPS), as well as completion of applicable activities in Phases 1 and 2, following which Phase 3 to be commenced.

*John Savage John Money Bernie Ziegler Tom Johnstone

Phases 1 and 2 are fully complete, with all assets and management transferred. Phase 3 has evolved into a broad based community committee established to identify and pursue support for improving the provision of community Health Services on Saturna.

With its work completed, this SIFPS committee will now stand down.

FINANCIAL REPORTING – STANDING COMMITTEE

Continue the finalizing of the Accounting System, developing and finalizing Financial Reporting, organizing material for Audit (if necessary), development and implementation of cost controls for Building Project, etc.

*Theresa Howard Ron Hall Lorne Bolton

1. Accounting Systems and Procedures

- incorporated SIR accounts into Quick Books
- with the Operations Committee and Fire Chief, set-up the Operations Budget for the Volunteer Firefighters
- with the Operations Committee and SIR Chief, set-up the Operations Budget for SIR
- worked with Tom Hawker of Field & Company to prepare 2010 Financial Statements
- filed 2009 Charities Return with a copy of SIFPS 2009 Financial Statements
- filed SIFPS 5-Year Budget with CRD
- filed for GST rebate – January 1, 2010 to June 30, 2010 reporting period
- filed for HST rebate – July 1, 2010 to December 31, 2010 reporting period
- filed annual Society Report
- Operations – generated 232 cheques in 2010

2. Workers Compensation Board

- submitted assessments for coverage for volunteer firefighters and SIR attendants, as well as casual labour on construction project

3. Building Project

- Contractor Contracts – generated a contract for each contractor
- Construction Loan Draws – provided a copy of all invoices and updated Budget/Actual for each draw
- developed and implemented a standardized procedure for receiving, vetting, and authorizing invoices for payment
- updated Budget Cost Control Spreadsheet with each invoice paid
- Cheques – generated 149 cheques for payment of approved invoices

4. SIFPS Website

- provided periodic updates

COMMUNICATIONS – STANDING COMMITTEE

The information conduit between SIFPS and the membership and the community-at-large. Monitors and identifies the community's need for information regarding SIFPS and its activities.

The development and implementation arm of SIFPS for information processes designed to ensure that appropriate information regarding SIFPS is available and open to the community. The public contact point for SIFPS.

*Bernie Ziegler John Savage Tom Johnstone

1. Periodic Newsletters

- Published monthly newsletters in the Scribbler, on our website and at both stores regarding the progress and status of our two new Emergency Services Buildings throughout the construction phase, the sale of the Old Fire Hall, and our AGM, as well as other SIFPS matters over the past year.
- Ensured accurate information about the bidding process, the various construction contracts and financing was made available to the membership and the community-atlarge.

2. SIFPS Website

- Made available to the membership and the public-at-large monthly Directors Meeting Minutes and financial statements, by-laws, surveys, photos, updates of the construction progress, covenants and agreements to ensure timely updated information is provided.

3. Emergency Services Personnel Questionnaire

- Developed and distributed a questionnaire to firefighters and rescue crew to obtain their perspective on what is good and what is not good about the operation of the SIVFD and SIR to get a better understanding on what, if any, changes need to be made.

4. Landscaping at ESB #2

- Arranged meeting with neighbors and our local trustees at ESB #2 to discuss landscaping plans for Islands Trust review/approval as per the restrictive covenant on the permit for ESB #2.

5. Grand Opening of ESB #1 & #2

- Ensured the details of today's Grand Opening Ceremony were disseminated to the membership and the community in a timely fashion to ensure a maximum turnout to this important event.

6. Communications Protocol

- Established a communications protocol on all matters within the board of directors and between the board and the Fire and SIR Chiefs.

NOMINATION COMMITTEE – BOARD MEMBERS – STANDING COMMITTEE

Develop and maintain an up-to-date list of typical responsibilities of Boards of Directors of Non- Profit, community based, organizations, as well as the attributes needed across the Director group to enhance its effectiveness. Throughout the year, develop and maintain a list of potential nominees for SIFPS Director positions by receiving and assessing interested individuals, as well as proactively seeking out other identified individuals to determine their interest. Nominate those interested individuals who, in the opinion of the committee, will work together most effectively for the betterment of the SIFPS and its constituent community.

*John Savage Brian Haley Ron Hall

1. Hugh Grasswick resigned as a Director of SIFPS effective December 31, 2010. After some research, the Nomination Committee recommended Eva Hage be appointed by the Board of Directors for the remainder

of Hugh's term; this was done.

2. Discussions were held with the current Directors to determine the number of new directors required for nomination at the next Annual General Meeting.
3. Request was made in SIPFS' Scribbler articles, asking any parties interested in being considered for a Director position to contact the Nomination Committee.
4. The Nomination Committee met and identified a number of potential candidates for the upcoming vacant Director positions. Potential candidates were then approached, with some of them agreeing to be nominated as a Director.
5. The Nomination Committee's slate of Directors will be presented at this meeting, for decision by the SIFPS membership.

SATURNA ISLAND FIRE PROTECTION SOCIETY (SIFPS)

- Internal Financial Controls -

The following internal financial controls are in place within SIFPS:

1. Annual Budgets, both Operating and Capital, are established and approved by the Board of Directors.
2. A Financial Report is prepared monthly by the Controller and reviewed in detail with the Board at its monthly meeting. This report includes Income and Expenses, by Budget line item – this information is presented in both 'Month' and 'Year-to-Date' amounts and shown in an Actual versus Budget format. Bank Balances are also included.
3. Cheques up to \$500 require the signature of the Treasurer or Controller. All cheques over \$500 require 2 signatures of Board Members. Cheques are not pre-signed. The amounts of all cheques are costed to a budget line item.
4. Invoices over \$500 for operations require the approval of the Fire Chief or SIR Chief, as the case may be, as well as the approval of the Operations Committee and require final approval of the full Board.
5. Bank Statements are reconciled monthly by the Controller and reported to the full Board monthly.
6. Information is provided to an independent accounting firm, which in turn prepares Annual Financial Statements for review and acceptance by the SIFPS Board and Membership.

The following additional internal financial controls and accounting systems were established and implemented for the term of the Building Project:

- a) The Building Project Budget was approved by the full Board and its status (Actual vs Budget) is reviewed at the monthly Board Meetings.
- b) Costs under \$5,000 are subject to a Purchase Order approved by the Building Project Committee (BPC). Subsequent invoices are matched to Purchase Orders and approved by the BPC prior to payment.
- c) Costs \$5,000 and over are approved by the BPC, if within budget – if over budget, full Board approval is required. All expenditures \$5,000 and over are subject to a bidding process and the signing of a formal contract, including WorkSafe BC and insurance requirements.
- d) All cheques are signed by the Treasurer or Controller and one other Board Member, normally a member of the BPC.

e) Standard holdbacks are retained until payment is approved by the BPC.

f) All payments made by the Controller are reconciled with the detailed construction records and Building Project Budget maintained by the Treasurer, including commitments and detailed payment information. These records are in turn reconciled with the Bank balances.