

DATE: February 13, 2018**FILE:** 7200-20/Merville**TO:** Chair and Directors
Electoral Areas Services Committee**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer**R. Dyson****RE: Merville and Tsolum-Farnham Fire Protection Service Merger and
Referendum****Purpose**

The purpose of this report is to recommend that the Comox Valley Regional District (CVRD) Board:

- a) initiate the Merville and Tsolum-Farnham Fire Protection Service merger; and
- b) support an October 2018 referendum for borrowing funds for constructing and equipping a Merville / Tsolum-Farnham Auxiliary Fire Hall.

Recommendation from the Chief Administrative Officer:

THAT bylaws to merge the Merville Fire Protection Service and the Tsolum-Farnham Fire Protection Service be considered for adoption with the merger to take effect on January 1, 2019;

AND FURTHER THAT the Electoral Area B and C directors consent on behalf of the electors to the merger bylaws in writing;

AND FURTHER THAT any outstanding balance in existing reserve funds be transferred to the reserve funds for the merged service in an equitable manner based on the assessed value in each service area;

AND FINALLY THAT the Auxiliary Fire Hall construction process be supported, including the public engagement, October 2018 assent voting (referendum) and developing design cost estimates as described in the staff report dated February ____, 2018.

Executive Summary

The CVRD operates the Merville Fire Protection Service and the Tsolum-Farnham Fire Protection Service and in 2017 committed to merge the two services and construct an auxiliary fire hall. This report describes the merger process, referendum (assent voting) requirements and construction project elements.

The merger is proposed to take effect on January 1, 2019 to ensure that both services contribute towards the auxiliary hall project and reserve funds in an equitable manner. The 2018 assessed value apportionment is:

- 12 per cent Tsolum-Farnham Fire Protection Service; and
- 88 per cent Merville Fire Protection Service.

An open house is scheduled for March 2018 to obtain public feedback and suggestions related to the design and operational requirements for the auxiliary fire hall. Specific information that will be sought from the public includes some design criteria that is related to noise levels, traffic impacts and / or land use.

This project includes the following key action items:

- **Land search and acquisition:** based on the operational requirements and public feedback, the CVRD will use a realtor to identify suitable properties. The CVRD will purchase the preferred property and then publicly announce the property following purchase.
- **Auxiliary hall specifications:** Construction costs will be developed over the spring and early summer 2018 to be included in the October 2018 referendum question.
- **Hall equipment details:** Costs for fire trucks and equipment will be identified and may be included in the October 2018 referendum question.
- **Service agreement:** Discussions continue with City of Courtenay and Oyster River Fire Chiefs in regards to a future service provider and agreement.
- **Volunteer recruitment:** This is an ongoing exercise and will increase in intensity following the identification of either the Oyster River Fire Department or City of Courtenay Fire Department as the service provider.

Prepared by:

J. Warren

James Warren
General Manager of Corporate
Services

Concurrence:

J. Bast

James Bast
Manager of Fire Services

Concurrence:

I. Smith

Ian Smith
General Manager of
Community Services

Stakeholder Distribution (Upon Agenda Publication)

Oyster River Fire Chief	✓
City of Courtenay Fire Chief	✓

Background/Current Situation

A study conducted in September 2016 on fire protection services in the CVRD's Electoral Areas B and C led to the conversion of the Merville Fire Protection District to a CVRD service in June 2017. A business case for an auxiliary fire hall in the Merville community was approved by the CVRD board in November 2017. This report describes the required components to achieve the auxiliary hall, including property selection, public engagement, service merger, hall construction and identifying a service provider. More information and background materials are available on www.comoxvalleyrd.ca/mervillefire.

Policy Analysis

The CVRD operates the Merville Fire Protection Service under Bylaw No. 484 being "Merville Fire Protection Service Establishment Bylaw No. 484, 2017" and the Tsolum-Farnham Fire Protection Service under Bylaw No. 2069 being "Black Creek Fire Protection Local Service Conversion Bylaw No. 2069, 1998". The proposed Greater Merville Fire Protection Service Merger Bylaw No. 515, 2018 is attached to this report as Appendix B. Should the service merger proceed, reserve funds will also be established by bylaw.

Options

This report recommends

- initiating the merger of the Merville and Tsolum-Farnham Fire Protection Services; and
- setting in motion the procedural requirements to determine the information required to conduct a referendum (assent voting) in October 2018 for constructing and equipping an auxiliary fire hall in the Merville community.

Should the Electoral Areas Services Committee require additional analysis or pursue a different course of action, a resolution to that effect is necessary.

An important component to this project is identifying the minimum operational requirements for the auxiliary fire. These are shown in Appendix A.

Financial Factors

The 2018-2022 proposed financial plan for the Merville and Tsolum-Farnham Fire Protection Services include consideration for acquiring land, conducting a referendum and conducting a detailed design for a fire hall. Note that the proposed referendum would align with the October 2018 local government elections, thereby minimizing costs to conduct the referendum.

As there currently exist two services that will benefit from the proposed auxiliary fire hall, the service merger is needed to realize the cost efficiencies from one service as well as ensuring that property owners pay an equitable amount towards the auxiliary hall project. One principle associated with merging services is that the participants contribute equitably towards existing and future infrastructure. For this reason, the merger is proposed to take effect on January 1, 2019. It is important to note that a \$32,666 transfer from the Tsolum-Farnham Service to the Merville Service is scheduled for 2018. This will ensure that the Tsolum-Farnham residents contribute an equitable amount to the auxiliary fire hall project and also ensures that when the reserve funds are merged on January 1, 2019, the resulting merged reserve fund reflects contributions from each service in an equitable manner. Table 1 illustrates the reserve fund balances and expenses to date (projected for December 31, 2018) to support an equitable merger.

at Dec 31, 2018	Tsolum/Farnham	Merville
Future expenditure reserve	\$ 8,776	\$ 4,936
Capital reserve	\$ -	\$ 202,410
Total reserves	\$ 8,776	\$ 207,346
Project dollars spent	\$ 32,666	\$ 127,000
Total contributions	\$ 41,442	\$ 334,346
% value	11%	89%

Table 1 - Reserve and Project Amounts at December 31, 2018

Legal Factors

This section describes the process for a) merging the Merville and Tsolum-Farnham Fire Protection Services and b) conducting a referendum in October 2018.

A service merger will require:

- The CVRD Board to give three readings of a merger bylaw, which will define:
 - o The merged service area
 - o The participants (Areas B and C)
 - o The methods of cost recovery – no change from existing service bylaws

- The maximum requisition – the merger bylaw will use the Merville maximum requisition as that is the lower maximum requisition of the two existing service bylaws (thereby resulting in no increase to the maximum requisition for the public in either service)
- Establishing reserve fund accounts for future expenditures and for capital purposes for the merged service, such that an equitable contribution from each existing service can be made based on the current apportionment of assessed values (12 per cent to Tsolum-Farnham and 88 per cent to Merville).

Conducting a referendum in October 2018 will require:

- Determining the question upon which voters will cast ballots;
- Determining the amount of funding that will be required to construct and equip the auxiliary fire hall; and
- Giving three readings to a loan authorization bylaw.

A subsequent staff report to introduce the funding requirements and question for the October 2018 referendum will be presented in May or June. To support the funding requirements, detailed design for the auxiliary fire hall will be established based in part on the minimum operational requirements (Appendix A) and public engagement exercise and open house scheduled for March 2018.

Regional Growth Strategy Implications

An auxiliary fire hall in the Greater Merville service area will address a few topics noted in the Comox Valley Regional Growth Strategy, including the promotion of community values and infrastructure supports.

Intergovernmental Factors

The CVRD currently has an agreement with the City of Courtenay for fire protection services in Merville and Tsolum-Farnham. Discussions with the City of Courtenay Fire Chief and the Oyster River Fire Chief are ongoing with respect to an auxiliary hall and future service arrangements.

Interdepartmental Involvement

Corporate Services Branch is leading the Merville Auxiliary Fire Hall project and service merger with supports from Financial Services and the Community Services Branch.

Citizen/Public Relations

The public in Merville and Tsolum-Farnham continue to be interested in and supportive of the Merville Auxiliary Fire Hall concept. An open house is scheduled for March 2018 to consider preliminary and concept drawings, a timeline to construction, process for acquiring land and cost estimates. It is noted that specific costs and actual drawings for the auxiliary hall will not be available in March 2018. Rather, preliminary estimates and concepts for an auxiliary hall will help inform the public about the approach and scale of impacts. Material developed for the open house will support the campaign necessary to inform the public about the proposed referendum in October. Public feedback will be sought during and after the open house to help inform the property selection and operational requirements. Specific information related to topics such as noise levels, land use and traffic impacts will help define the auxiliary hall project.

Using the services of a realtor, the CVRD will use the minimum operational requirements for the auxiliary fire hall to identify suitable properties. The Board will then consider its options and may make an offer and acquire the site for the Merville Auxiliary Fire Hall. A property appraisal may be obtained prior to acquisition. The property identification, selection and acquisition will be conducted

through meetings that are closed to the public to ensure that a fair evaluation for the property is achieved. Following acquisition, the selected property will be announced to the public.

Attachments: Appendix A – Proposed Merville Auxiliary Fire Hall minimum operational requirements

Appendix B – Greater Merville Fire Protection Service Merger Bylaw No. 515, 2018

Appendix C – “Fire Protection Areas map”

Appendix A – Proposed Merville Auxiliary Fire Hall minimum operational requirements

The following specifications describe the minimum operational requirements for an auxiliary fire hall for the Merville and Tsolum-Farnham Fire Protection Services. Following public feedback on topics such as traffic and noise and other operational requirements, the CVRD will use these requirements to identify properties that could be used for siting an auxiliary fire hall. The CVRD Board would then narrow its selections and acquire its preferred property. A property appraisal may be conducted to ensure a fair value is identified. The CVRD would then publicly announce the purchased property. NOTE: the identification, selection and acquisition of properties will be done in closed meetings, without public input to ensure that a fair evaluation is made for the fire hall site.

- Location: “notional location of Sackville Road and Hwy 19A” (Merville Store area)
- Land size: one acre preferred, but could go to three-quarters of an acre if necessary
- Building size: _____square meters (washrooms and changing facilities, limited office space, storage, two bays for fire vehicles)
- Water source: the notional area does not have a community water service, therefore a well and fixtures will be needed; **consideration required for flow and volume rates**
- Septic approval: confirmation that approval required through Island Health
- Zoning: must accommodate a fire hall as a use; consider need for subdivision potential; setback requirements; development permit requirements
- Agricultural Land Reserve considerations: if the site is in the ALR, consider whether a non-farm use approval from the Agricultural Land Commission is required
- Highway access: either direct onto Highway 19A or via connecting road
- Site layout: considerations such as driveways, paved areas, parking;
- Traffic analysis: considerations required with Ministry of Transportation and Infrastructure regarding access/egress lanes, traffic flow, signal requirements

NOTE: this list of minimum operational requirements is not complete and will be refined over the next few months with input from the public on noise, traffic and land use considerations, stakeholders and expert advice.

Appendix B

COMOX VALLEY REGIONAL DISTRICT

BYLAW NO. 515

A bylaw to establish the Greater Merville Fire Protection Service by merging the Merville Fire Protection Service with the Tsolum Farnham Fire Protection Service

WHEREAS the Comox Valley Regional District Board of Directors wishes to merge the following two services into one service to be known as the Greater Merville Fire Protection Service:

- Merville Fire Protection Service, established by Bylaw No. 484 being “Merville Fire Protection Service Establishment Bylaw No. 484, 2017” as adopted on August 29, 2017 following the Merville Fire Protection District conversion, which took effect on June 15, 2017; and
- Tsolum Farnham Fire Protection Service, established by Bylaw No. 2069 being “Tsolum Farnham Fire Protection Local Service Conversion Bylaw No. 2069, 1998” as adopted on October 26, 1998;

AND WHEREAS under section 350 of the *Local Government Act (RSBC, 2015, C. 1)* a regional district may merge two service areas;

AND WHEREAS the approval of the inspector of municipalities has been obtained under section 342 of the *Local Government Act (RSBC, 2015, C. 1)*; and

AND WHEREAS the approval for the participating areas was obtained by consent on behalf of electoral area directors under section 347 of the *Local Government Act (RSBC, 2015, C. 1)*;

NOW THEREFORE the board of the Comox Valley Regional District in open meeting assembled enacts as follows:

Service

1. The “Merville Fire Protection Service Establishment Bylaw No. 484, 2017” and the “Tsolum Farnham Fire Protection Local Service Conversion Bylaw No. 2069, 1998” are hereby amended by merging the Merville Fire Protection Service and the Tsolum Farnham Fire Protection Service into one service to be known as the Greater Merville Fire Protection Service (the ‘service’).

Boundaries

2. The boundaries of the service are Electoral Area B (Lazo North) and Electoral Area C (Puntledge – Black Creek) as identified in schedule A attached to and forming part of this bylaw.

Participating Areas

3. Electoral Area B (Lazo North) and Electoral Area C (Puntledge – Black Creek) includes a participating area in the service.

Cost Recovery

4. As provided in section 378 of the *Local Government Act (RSBC, 2015, C. 1)*, the annual cost for this service shall be recovered by one or more of the following:

- (a) property value taxes;
- (b) parcel taxes;
- (c) fees and charges imposed under section 397 of the *Local Government Act* (RSBC, 2015, C. 1);
- (d) revenues raised by other means authorized by the *Local Government Act* (RSBC, 2015, C. 1) or another Act; and
- (e) revenues received by way of agreement, enterprises, gift, grant or otherwise,

Maximum Requisition

5. In accordance with section 339(1)(e) of the *Local Government Act*, the maximum amount that may be requisitioned annually for the cost of the service is the greater of \$446,106 or \$0.6228 per \$1,000 applied to the net taxable value of land and improvements for regional hospital district purposes.

Apportionment

6. The annual costs of the service shall be apportioned to each participant on the basis of the converted value of land and improvements for hospital purposes in those areas.

Service Review

7. All aspects of the Greater Merville Fire Protection Service shall be reviewed every five years, with the first review occurring in 2023.

Effective Date

8. This Bylaw No. 515 takes effect on January 1, 2019.

This Bylaw No. 515 may be cited as “Greater Merville Fire Protection Service Merger Bylaw No. 515, 2018”.

Read a first and second time this day of 2018.

Read a third time this _____ day of _____ 2018.

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 515 being “Greater Merville Fire Protection Service Merger Bylaw No. 515, 2018” as read a third time by the board of the Comox Valley Regional District on the day of 2018.

Corporate Legislative Officer

Approved by the
Inspector of Municipalities this _____ day of _____ 2018.

Adopted this _____ day of _____ 2018.

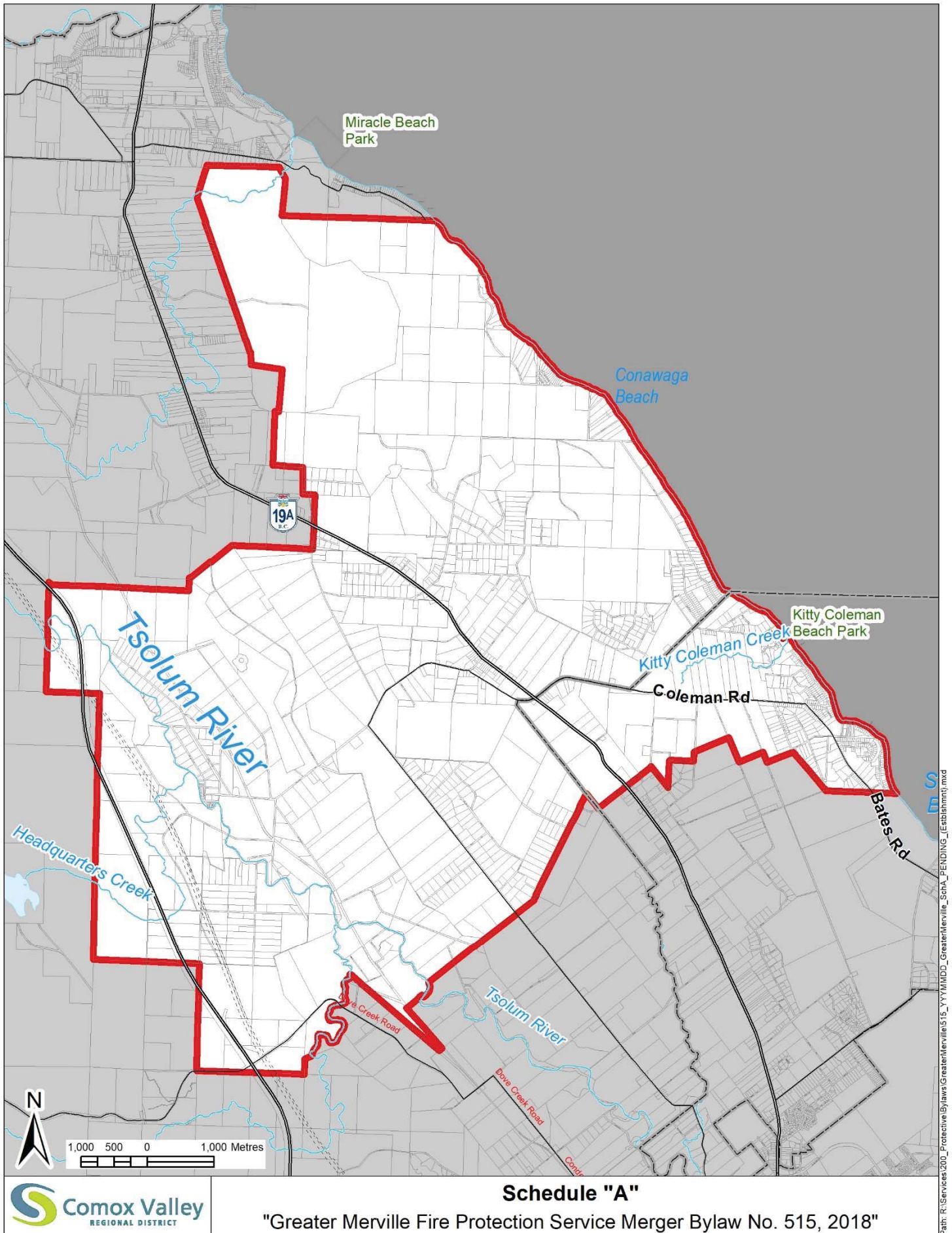
Chair

Corporate Legislative Officer

I hereby certify the foregoing to be a true and correct copy of Bylaw No. 515 being “Greater Merville Fire Protection Service Merger Bylaw No. 515, 2018” as adopted by the board of the Comox Valley Regional District on the day of 2018.

Corporate Legislative Officer

Appendix B



Schedule "A"

"Greater Merville Fire Protection Service Merger Bylaw No. 515, 2018"

