



July 27, 2022

Fire Protection Service for Cherry Creek



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Agenda

1. Introduction & Background
2. Feasibility Study
3. Budget & Tax Implications
4. Public Assent (referendum) Process
5. Community Survey
6. Summary
7. Questions



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Background - Tobiano



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Background - Tobiano

- Established in 2007 as a Society-operated Department
- Transitioned to TNRD administered department in 2018
- Current protection area limited to Tobiano development only
- Public assent process in 2018 included borrowing of up to \$1 million for the construction of a new hall
- Tobiano Developer (Diverse Properties) has offered to donate land to the TNRD for the new hall
- Due to operational requirements and rapid rise in construction costs – new hall cannot be built for \$1 million



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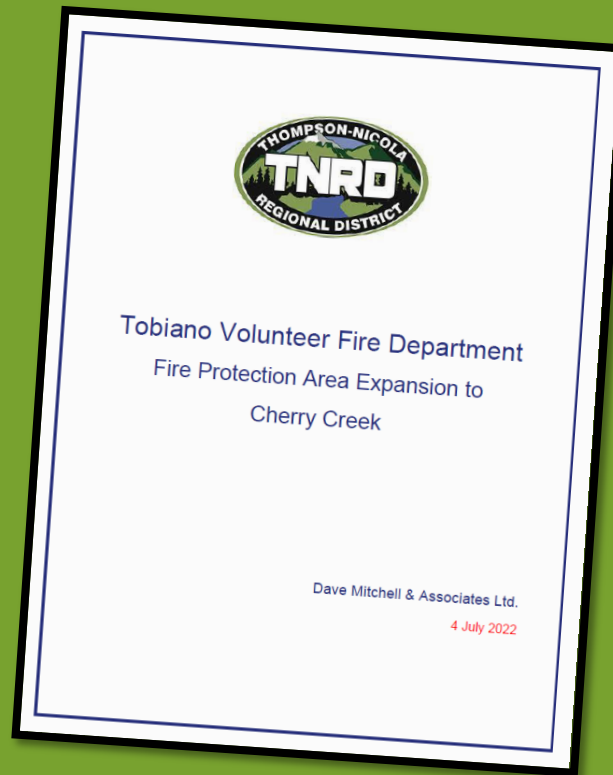
Background – Cherry Creek

- Long standing interest from community in establishing some level of fire protection (i.e. fire brigade)
- Interest very much renewed following 2021 wildfire season
- In the past, limited opportunities to establish a new service due to the limited tax base
- Today the community is rapidly growing making a tax funded fire department more feasible
- Opportunity to build a new fire hall to service both Cherry Creek and Tobiano



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Feasibility Study



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Feasibility Study: Tobiano Fire Department

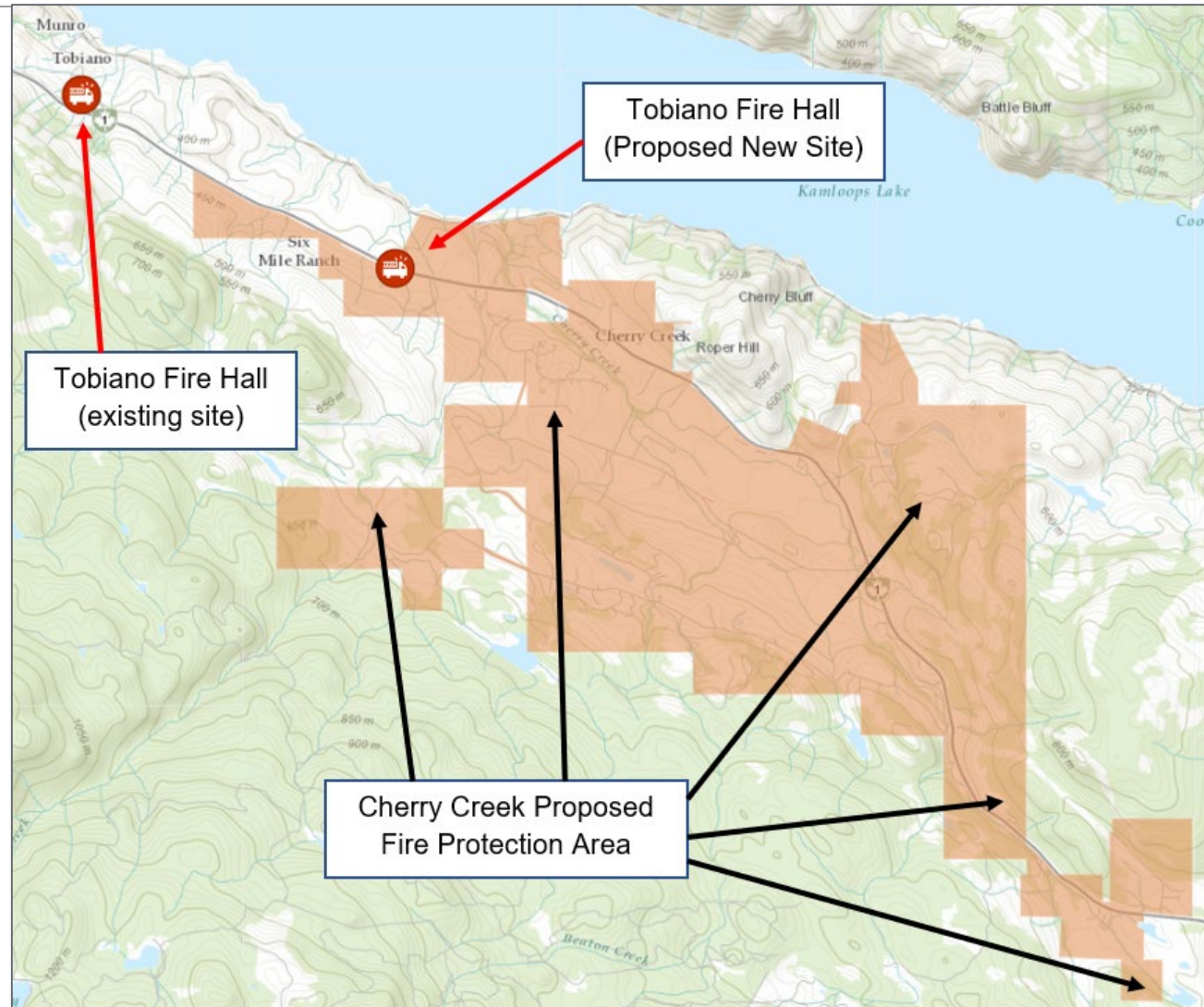
Tobiano Volunteer Fire Department

- Service establishment bylaw 2656 authorizes the service
- Current roster of 12 firefighters including the Fire Chief, the Deputy Chief and three Captains
- Authorized service level is Exterior as per the Office of the Fire Commissioner's mandatory training requirements for structural firefighting
- Existing fire hall at the Resort's maintenance building



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Feasibility Study: Proposed Service Area



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Feasibly Study: Replacement Fire Hall

- Suitable location has been identified
- At the eastern limit of the current service area
- Can provide balanced coverage to Tobiano as well as Cherry Creek
- Two apparatus bays
- Minimum of 3,000 square feet to allow for:
 - Administration, training, and maintenance of equipment
 - Dual gender washrooms and showers, lockers, and personal protective equipment
 - Spare hose, air compressor, air bottle storage, exhaust extraction system
- Outside space for training and parking for responding firefighters



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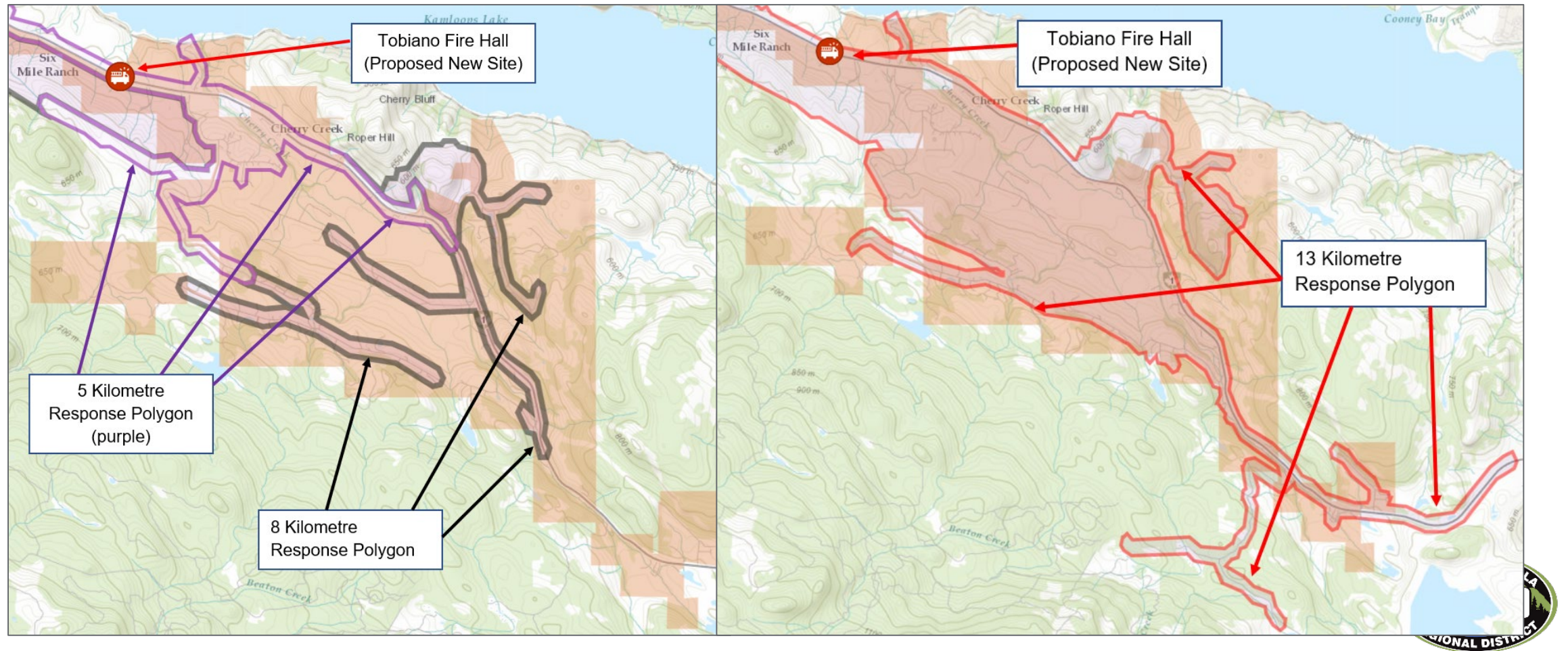
Feasibility Study: Fire Underwriters

- Fire Underwriters are a national organization
- Establish the Dwelling Protection Grade (“DPG”) and Public Fire Protection Classification (“PFPC”) for each community
- DPG has five levels from 1 to 5, PFPC from 1 to 10
- Department currently rated as DPG 4 and PFPC 7
- DPG requirements include being within 8 Kms. from a recognized fire hall; however, at the discretion of the insurer this can extend to 13 Kms.
- Require 15 trained members plus a Fire Chief
- Triple combination Engine plus a Tender



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Feasibility Study: Cherry Creek Coverage



Feasibility Study: Requirements

- Fire hall to be constructed at the proposed location
- Bylaw No. 2656, to be amended to address the boundary extension
- Bylaw No. 2657 to be amended to address the funding for the new fire hall
- Department will need to recruit and train a minimum of 15 volunteers; goal should be 20
- Confirm the level of service as exterior only
- Apparatus will need to include a compliant Tender for water supply
- Water refill sources identified for the Cherry Creek area



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Budget & Tax Implications

How much is it going to cost?



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Operating Budget

\$350,000 annual budget for volunteer fire department servicing both communities, includes:

- Training
- Remuneration of Firefighters
- Maintenance (hall, vehicles, equipment)
- Fuel & utilities
- New/replacement firefighting equipment
- Water Access Fee (Tobiano Utilities)
- Administration fees



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Operating Budget

- Operating cost will be shared with existing Tobiano service area
- \$175,000 from Cherry Creek (estimated 2023 budget)
- Total assessment in each service area almost equal
- Referendum would set maximum tax requisition - **\$225,000/year** to allow for new/increased costs
- Operating costs funded through property taxes (based on assessment)



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Capital Budget



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Capital Budget

Property Costs (legal)	\$ 15,000.00
Construction of 3000 square foot hall	\$ 1,850,000.00
Fire Tender	\$ 260,000.00
Firefighter required gear & equipment	\$ 75,000.00
Contingency	\$ 200,000.00
Total	\$ 2,400,000.00



Note: one time start up costs – future capital costs build into operating budget through capital reserves



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Tax Implication

- **Required \$2.4 Million**
 - Tobiano approved (2018) borrowing of \$1 million
 - Director Elliot approved \$400,000 from Building Canada Fund (gas tax) allocated to Area “J”
 - Cherry Creek would need to fund the remaining \$1 million
- 20 year loan through Municipal Finance Authority (MFA) – interest rate locked in at 5 year terms
- Property taxes (based on assessment) collected to pay down the debt and interest over 20 year term
- **Annual capital debt payment = \$89,147**
- After debt paid, taxes only collected for operating costs



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Tax Implication

Annual operating costs (maximum)		\$225,000
Annual debt payment (20 years)	+	\$89,147
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Annual tax requirement		\$314,147

Maximum Residential Tax Rate = \$1.0675 per \$1000 assessment

Or

Maximum Residential Tax Rate = \$106.75 per \$100,000 assessment

Note: debt payments based on 5% interest rate – subject to market conditions



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Tax Implication

Examples:

Assessed Value	Annual Taxation
\$500,000	\$533.75
\$1,000,000	\$1,067.50
\$2,000,000	\$2,135.00



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Tax Implication

- Grant Application Pending
- Building Canada - Strategic Priorities Fund
- Applied for \$1.5 million towards this project
- Expect to hear if successful early 2023
- If successful, borrowing requirement reduced along with taxation



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Tax Implication

Home Insurance Savings?



Contact your insurance provider for estimate



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Public Assent



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Public Assent

TNRD must follow process set by the Province

- Section 332 of the *Local Government Act* provides the TNRD with the authority to provide services.
- Section 338 of the *Local Government Act* states that the Board must adopt a services establishment bylaw.
- Approval of the electors is required to adopt the bylaw



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Public Assent

- Assent Vote (Referendum) recommended public assent process
- All eligible residents within the service area can vote
- Non-resident property owners are also eligible – must be individuals (not businesses) listed as owner
- If supported by TNRD Board, referendum would coincide with the civic election on October 15, 2022



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Public Assent

Process & Timeline:

1. Feasibility Study – completed in June
2. Public meeting and consultation – July 27th – August 7th
3. TNRD Board & Provincial approval of service establishment bylaw – August
4. Assent Vote (Referendum) – October 15th
5. Service & taxation begins following year if referendum approved - 2023



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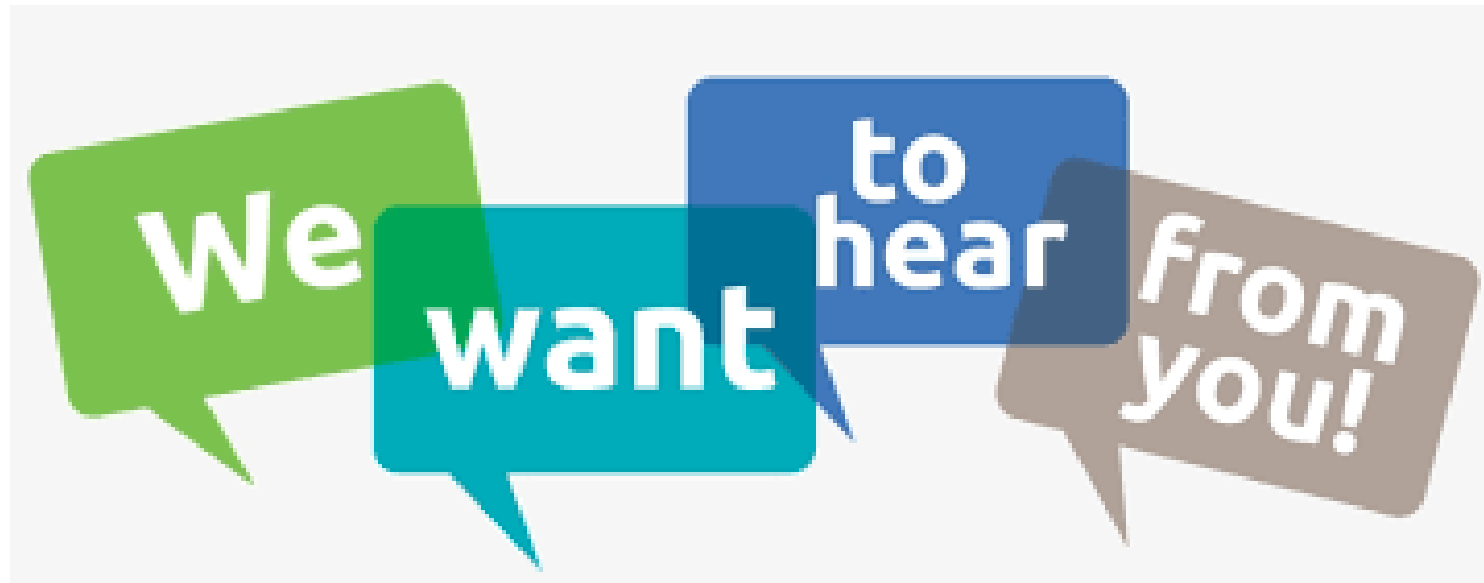
Community Survey



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Community Survey

- Should the TNRD go ahead with a referendum?



- www.tnrd.ca/cherry-creek-fire-protection-service



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Summary

Take home message...



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Summary

- Proposed service would expand the operating area of the existing TNRD Fire Department in Tobiano to include all Cherry Creek properties
- New hall would be in central location on Hwy 1 providing good access to both Tobiano and Cherry Creek
- All properties within Cherry Creek likely to see significant home insurance reductions (confirm with your insurance provider)
- Cherry Creek contribute \$1 million towards capital costs (new hall and equipment) paid over 20 year period
- Cherry Creek will contribute towards annual operating costs, first year budget estimated at \$175,000 (maximum to be set at \$225,000)
- Annual taxation approximately \$100 per \$100,000 of assessment
- More volunteer firefighters needed
- Community Survey open now thru August 7th at TNRD.ca

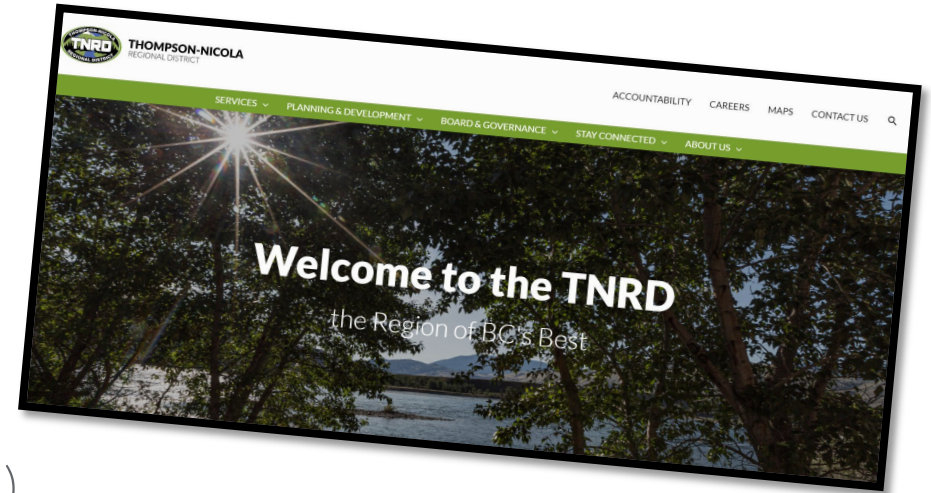


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Stay Connected

TNRD.ca has page devoted to this topic

- Community survey
- Interactive map of service area
- Copy of feasibility study
- Copy of this presentation
- Recorded public meeting presentation
- Referendum information (pending board approval)



TNRD Fire Protection Service

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Questions?



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