



Municipality of the District of Argyle

Item: Feb 22, 2021

Date: GSAR – next steps

VISION

We see Argyle as home to a healthy and thriving rural population. Our municipality promotes and supports economic and social opportunities for the region and engages in the active expression of our unique Acadian heritage. We are a place of choice for rural living and are widely recognized for our warm hospitality and joie de vivre. Surrounded by fresh air and cool ocean breezes, we work and play in the great outdoors. People choose to live in Argyle because of our commitment to each other, to our community and to our neighbors. Argyle is a place we are proud to call home.

Background:

MODA has approved an \$8,800 contribution to GSAR for fiscal 20-21 to address the growing need for operational funding. The contribution will likely be used for both capital and operating needs of the organization, but there is no restriction of use on this funding.

Council has sought to further understand the GSAR funding issues. The major issue with the GSAR at the moment is their building. Council has been briefed in previous meetings by the GSAR volunteers, and many of you have visited their current location to see for yourself what the status of that building is.

In short, they need a new roof, a new well, and a replacement of their eastern facing wall. They certainly need more than that, but those three issues alone would overwhelm them financially. Other minor issues include contamination cleanup, door replacement, garbage clean up financial support and other.

There were concerns raised at the regional table about their current location. Specifically, some councilors wanted to be sure that any capital investment in their current building would not be wasted, due to other structural reasons unknown to GSAR or to the Municipal units. Subsequent to that meeting, I asked the GSAR leadership to obtain an opinion on the structural condition of the building, which was shared with the MODY and TOY CAO's and with Argyle Council. In short, the letter issued by Delmar Construction indicates that after the repairs to the roof and other elements, there would be no notable structural concerns. This does not eliminate the possibility for other issues (contamination, environmental) but does address the question of structural integrity.

Staff requires further direction from Council on the matter.

To summarize what we have heard at the Council table:

- Argyle Council is very supportive of their services and is committed to increasing the annual funding and has done so this year via motion (\$8,800).
- A letter of support was prepared for GSAR's funding application.
- Argyle has generally agreed with GSAR that it is important that they can rely on multiyear, stable funding.

- Generally, there appeared to be consensus that GSAR should NOT have to apply for grants to organizations, and they should become a line item under emergency service delivery, much like Fire Departments.
- Recent work on REMO bylaw has included language around GSAR being an emergency service (something that was not in all three EMO bylaws beforehand).
- Council has approached the capital request positively, but we have not established our interest in an amount, nor have we had the opportunity to discuss with our partners at TOY and MODY. All three appear to be interested in the project.
- We do not have any indication of what TOY and MODY will do for annual stable funding.
- The Province of NS has been questioned on GSAR funding, which amounts to a low \$3,000 per year.

What about Yarmouth Airport – This is a common question amongst councilors – what about space at the airport? As lead airport CAO, I am familiar with available space. There are available spaces, but we should also consider appropriate space. The only space that would potentially meet their needs is the upstairs at the Combined Services Building (CSB). The CSB houses all the airside maintenance vehicles so there is little room for any GSAR vehicles. The upstairs was used as a training facility during Transport Canada ownership days, so it would fit somewhat for GSAR. The GSAR have expressed a negative interest in moving, and would not be likely to move if there was a rental fee, seeing as they own their current building. A move would also leave a struggling building with no funds to retrofit, and a risk that the building would fall on MODY’s list of dangerous or unsightly clean up.

To summarize, this analysis concludes that a move to Airport is not ideal for either GSAR or Airport owners, thus a consideration of capital needs at their current location is appropriate. No other suggested alternate location has been analyzed appropriately.

Budget considerations:

Historical contributions to GSAR in the last 3 years:

Capital funding - \$0
 Operational funding \$8,800 this fiscal, and \$4,000 the last two fiscal years.

CAPITAL ANALYSIS.

Estimated **urgent** capital needs for the project (as per GSAR presentation)

Roof repair	\$86,500	
New well	10,000	
East wall	<u>9,600</u>	
Total	106,100	
Less: HST recovery	(7,400)	
15% contingency	<u>15,000</u>	(this was added by CAO, rounded)
Total estimate	\$113,700	

Estimated **secondary** capital needs for the repair of doors, removal of damaged drywall, total cleaning of mould damage, re-insulation of the upstairs: \$38,300 plus HST.

Initially the GSAR indicated they could do this work, but the extent of the damage and taking into account the volunteer time and effort, it was determined that this work should be done by a professional contractor. The GSAR has chosen this project as the application for Provincial funding. The Provincial funding could cover up to 75% of the costs, but there is no guarantee the application will be successful. We have not been approached to fund this aspect of the project, but it is relevant to GSAR's ability to pay a portion of the **urgent** capital needs. It is unclear how successful GSAR would be on a Provincial application for both aspects of the work. The fact there is no clear municipal capital funding secured prior to the application deadline makes it a hard sell to submit both urgent and secondary as one application.

The following calculations and information is presented under the assumption that the three units are interested in partnering to assist GSAR. While there has been no discussion on how this would be shared by the other two units, traditionally cost sharing among the three has put Argyle in the 31-33% range of cost sharing.

Since the GSAR is financially committing to the secondary needs work, and not aware of their financial situation, I am presenting Argyle's potential percentage of the urgent work assuming no contribution from Province/GSAR.

Argyle contribution \$35,300 - \$37,600 So in essence, this could represent the higher end of a financial commitment, as it assumes 100% municipal funding and a commitment to fund from all three units).

OPERATING ANALYSIS:

Not being in possession of financial statements from the GSAR, it would be challenging to provide a recommendation on an increase that is evidence based. I can share the following information that was presented by GSAR:

Funding comes from the Province of NS (\$3,000) all three municipal units (varies but appears to be \$7,000 to \$8,000 in actual grants received) and fund raising. Pre-covid fund raising amounted to about \$18,000, last year it was closer to \$6,800.

So, in short, in a typical year, GSAR revenues were 64% fundraising, 36% government grants. Comparatively, our Fire Departments would be funded 85-90% municipal grants, 10-15% fund raising. A drastic contrast considering they both offer an emergency service to our communities.

A quick check in with our neighboring GSAR organizations in Digby and Shelburne confirmed that municipal grants and support are noticeably higher in both Counties. In Clare and Digby for instance, the GSAR organizations occupy municipal buildings at no cost, and obtain grants. Furthermore, they have a sophisticated corporate and residential fund raising that generates considerable funds. They can focus their grants on needed vehicle equipment and improvements. Each situation is unique.

MGA considerations:

Contributions to GSAR are considered eligible under emergency services provisions of the MGA, specifically Section 65 allows contributions to non-profit organizations for services municipalities would have to otherwise provide.

CAO's Recommendation:

In the interests of supporting a funding application, the Ground Search and Rescue Association would benefit from an urgent meeting of three councils to determine what is required to make a collective decision on the **capital** needs of the organization. If all three units are interested in contributing, funding percentages should be established. If any of the units require additional information to decide, this should be established in a coordinated way, and done efficiently. If not in time for their application in February, then before our fiscal year end. If repairs are to be done this spring, GSAR requires a funding decision shortly.

There is certainly evidence to suggest that GSAR **operating** funding from municipal and provincial governments is insufficient. MODA can either do its own assessment of operating needs (based on analysis of financial statements etc), or choose to coordinate a stable, multiyear operational funding in collaboration with TOY and MODY.

Suggested motion:
