

LAHAVE AND DISTRICT FIRE DEPARTMENT

RATEPAYERS MEETING 19 MAY, 2022

FINANCIAL REPORT

INTRODUCTION

1. This report will be delivered in two parts. The first part provides an overview of the last Fiscal Year from April 1, 2021 to 31 March, 2022. The second part will deal with the budget for the present Fiscal Year and the Motion to approve the fire tax rate.

Part One: Last Fiscal Year – 1 Apr 2021 to 31 Mar 2022

2. The main financial objectives for the Department were unchanged as follows:
- a. to focus our finances on activities that are in the best interest of the Department, and
 - b. to develop a rational and achievable plan to fund the Department into the future.

These objectives have progressed to the point where we can say they have largely been met.

3. The Department invests in secure, Guaranteed Investment Certificates to organize and fund our large capital purchases. Our investments grew in value by \$3921.75 over the past Fiscal Year compared to \$8564.60 over the previous Fiscal Year. As we told you last year, the reduced rates of return on our investments due to the pandemic are now starting to show.
4. Life cycle purchasing has been prioritized and is underway. Many of our firefighting helmets had expired or were about to expire so proceeds from the 50/50 draws were used to purchase a complete set of new helmets for the Department. These helmets are certified for ten years of use. Eight breathing apparatus are in use by the Department and they are approaching their end of life so two new units were ordered at a cost of about \$19,000 with a second order of two planned for this Fiscal Year. A handheld Thermal Imaging Camera was purchased to replace a malfunctioning unit on Truck # 2. Under Office Equipment, a printer for our plastic accountability tags was purchased that should provide years of reliable use. The photocopier and fax machines were replaced with a multi-function wireless colour printer that has a fax capability. A complete listing of capital purchases is included on Page 5 of this report.

5. Three capital reserve funds were established for truck, building and other equipment replacement that will take place within the next five to ten years. Since these are long term plans, the money contributed for these purchases is invested to earn interest income. Last year, the Department was able to deposit a total of \$180,000 into the investment accounts. At the end of the year, the investment accounts balance and Capital Reserve Fund allocations were as follows:

<i>CAPITAL FUND ALLOCATIONS</i>		<i>INVESTMENT ACCOUNT DETAILS</i>	
TRUCK FUND	\$345,000.00	INVESTMENT ACCOUNT BALANCE – 31 March 2022	\$623,097.41
EQUIPMENT FUND	\$12,000.00	TOTAL RESERVES	\$590,000.00
BUILDING FUND	\$233,000.00	UNALLOCATED BALANCE	\$33,097.41
TOTAL RESERVES	\$590,000.00		

For reference, the operating account balance on 31 March, 2022 was **\$84,866.43**.

6. The Auditor's Report has been posted on our web site and copies have been provided to meeting attendees. The Report is favourable. On Page 3 of the Auditor's Report, our excess of revenue over expenses is \$XXX, up from \$XXX in the previous Fiscal Year. Much of this increase was due to decreased call levels, fewer training opportunities and less wear and tear on the equipment. This permitted a larger allocation to savings for future capital purchases.

7. **Overall, from a financial perspective, last Fiscal Year approached a normal level of financial activity for the Department.**

Part Two: Budget and Fire Tax Rate - Present Fiscal Year

8. The current long term planning document for the Department is included on Page 6 of this report. A vehicle replacement plan is now underway and is reflected in the long-term planning document. Life cycle replacement of equipment will continue with breathing apparatus and bunker gear as the main priorities.

Budget Review

9. The budget for Fiscal Year 2022 – 2023 is on pages 7 to 10 of this report. It is assumed that inflation will continue at record levels, so fuel, electricity and service-related allocations have been increased over last year's amounts.

Highlights - Revenue

10. Interest income from investments will decline again this year. Last year, residents were very generous with donations – thank you! The tax base increased as did our Fire Tax revenue. A \$10,000 one time grant has been provided by the Provincial Government which invested \$3.5 million to help volunteer fire departments, ground search and rescue organizations and First Nations fire departments recover from fundraising losses during the COVID-19 pandemic. Supporters generously contributed over \$12,000.00 through the 50/50 draw and other fundraisers last year.

Highlights - Hall

11. Heat pumps have cut down on oil fuel cost significantly and the LED light fixtures that were installed last Spring also helped reduce the electric bill. A deposit of \$6,811 was made on the Hall roof replacement which will be completed later this Summer at a total cost of about \$27,000.

Highlights - Station

12. LED light fixtures were also installed at the Station. For both Hall and Station LED installations, Efficiency Nova Scotia provided a rebate totalling almost \$6,000 to the Department. One of the truck bay doors required replacement at a cost of about \$5,427. Renovations on the Radio Room have been allocated \$2,000 for this Fiscal Year.

Highlights - Trucks

13. The fuel allocation has been increased to offset diesel costs. As mentioned in the Truck Committee Report, the two new trucks now on order will not require full payment this year so loans will not be required this Fiscal Year.

Highlights - Other

14. Last year, the Firefighting Equipment and Supplies actual expenses included the helmets and two breathing apparatus. For this year, the plan is to life cycle \$20,000 worth of bunker gear, \$4,000 worth of Wildland Coveralls and another two new breathing apparatus worth about \$21K total. Equipment repairs included the repeater antenna tower repair which cost an additional \$7,000. The tower requires replacement within the next few years. Major projects to be either completed or moved into Capital Reserves this FY are the repeater antenna tower replacement, burn building repair and dry hydrant repair. The total allocation for major projects this year is \$30,000. Under Uniforms, all firefighters on strength have been outfitted with station wear last year and \$3,300 has been allocated this year for jackets.

Highlights – General and Administrative

15. Meals and Social includes a reallocation of \$1029.60 from fundraising revenue to the Walters Family Fund to help the young family of the Deputy Chief of a neighbouring Department who passed away suddenly last year. A new funding allocation of \$7,000 has been set aside for events associated with the 75th Anniversary of the Department this year. Office Expenses last year include \$3,900 for the new multifunction printer/fax machine and the new ID Card printer.

Conclusion and Tax Rate Motion

16. Although COVID impacts linger on our ability to plan and on the ability of businesses to meet our equipment needs, a return to normalcy is happening. The budget allocates funding needed to continue operations and perform necessary life cycling and upgrades. The requested tax rate supports these activities as described above. While there will not be a need for a bank loan this Fiscal Year, the Department will likely have to take on debt next Fiscal Year. It is therefore recommended that the Fire Tax rate remain the same.

17. Move that: ***“The LaHave and District Fire Department Ratepayers approve a Fire Tax Rate of \$0.13 per one hundred dollars of property assessment value for the Fiscal Year 2022 to 2023”.***

Report Submitted by:
Derek Purcell
Treasurer

**LAHAVE AND DISTRICT FIRE DEPARTMENT
CAPITAL EXPENDITURE REPORT 2021-2022**

DATE OF PURCHASE	SUPPLIER	DESCRIPTION	COST NET OF HST
FIRE FIGHTING EQUIPMENT			
2021-05-06	NOVA FIRE EQUIPMENT	REVEAL FIRE PRO THERMAL IMAGING CAMERA	\$1,224.73
2022-03-31	CUMINGS FIRE & SAFETY	TWO MSA BEATHING APPARATUS	\$19,458.00
TOTAL FIREFIGHTING EQUIPMENT PURCHASED			<u>\$20,682.73</u>
OFFICE EQUIPMENT			
2022-03-29	AVON SECURITY PRODUCTS	ZEBRACARD PRINTER	\$1,722.70
2022-03-28	WORKPLACE ESSENTIALS	KYOCERA M5526cdw MULTI-FUNCTION PRINTER	<u>\$2,202.49</u>
TOTAL OFFICE EQUIPMENT			<u>\$3,925.19</u>
TOTAL CAPITAL EXPENDITURES			<u>\$24,607.92</u>

LaHave and District Fire Department
10 May 2022
Long Term Plan (Truck and Building) V4

Legend

Replace Unit

Loan (Debt)

Replacement Cost (at 5% inflation)

	BUILD	AGE (2022)	2019	2020	2021	2022	2023	2024	2025	2026	2027
Truck # 5	2000	22	Replace with mini-pumper				\$478,508	\$502,433	\$527,555	\$553,933	
Truck # 4	2004	18	Replace with Tanker.				\$543,950	\$571,148	\$599,705	\$629,690	
Truck # 1	2010	12	\$600,000	\$630,000	\$661,500	\$694,575	\$729,304	\$765,769	\$804,057	\$844,260	
Truck # 2	2016	6	\$330,000	\$346,500	\$363,825	\$382,016	\$401,117	\$421,173	\$442,232	\$464,343	
Boat	2007	15	\$60,000	\$63,000	\$66,150	\$69,458	\$72,930	\$76,577	\$80,406	\$84,426	\$88,647
Station	?	Various	\$900,000	\$945,000	\$992,250	\$1,041,863	\$1,093,956	\$1,148,653	\$1,206,086	\$1,266,390	

RESERVE FUNDS - Does not include interest earned or loan interest charged

Truck Fund	Assume 60% of 80K annually			\$345,000	\$393,000	\$441,000					
			Vehicle Debt				\$581,458	\$533,458	\$485,458	\$437,458	
Equipment Fund				\$12,000	\$22,000						
Building	Assume 40% of 80K annually			\$233,000	\$265,000	\$297,000	\$329,000	\$361,000	\$393,000		

Replacement Cost Area (CALENDER YEAR)

Yellow area is information on current fleet in 2019. Note that Trucks 5 and 4 are being replaced with different types of vehicles. Information in uncoloured boxes is the 2019 replacement cost projected into future years at a rate of 5% inflation (compounded). Green boxes are years where we might consider replacing the indicated unit. For example, Truck #5 will be replaced with a mini-pumper in 2023 at a cost of \$478,508.

RESERVE FUNDS (we have \$623,152 in the investment accounts as of March 2022)

Assumes we adjust the Fire Tax Rate to ensure we can allocate \$80,000 per year to the Vehicle and Building Fund. Of this amount, 60% (\$48,000) goes to Vehicles and 40% (\$32,000) goes to Building. Information in uncoloured boxes is the fund growth projected into future years. Red boxes are where we run out of money and need to go into debt.

		BUDGET 1 April 2021 to 31 March 2022	ACTUAL 1 April 2021 to 31 March 2022	BUDGET 1 April 2022 to 31 March 2023	Notes
REVENUE RECEIVED					
1	Interest Income	5,342.25	3,922.00	3,577.00	Compound interest and maturity values FY (NOT CY)
2	Donations - General	2,000.00	3,475.00	2,000.00	
3	Donations - Auxiliary	0.00	0.00	5,000.00	
4	Donations in Kind		0.00	0.00	
5	Fire Tax (at .13 rate)	203,000.00	194,827.70	213,217.68	Includes Insurance Costs
6	PROV REBATE INSURANCE	2,600.00	2,548.00	2,600.00	
7	Personnel Insurance Grant	400.00	447.00	500.00	
8	Emergency Services Grant			0.00	
9	Municipal Grants	2,700.00	3,458.00	2,800.00	Municipal and Matching and COVID Grants
10	Provincial COVID Grant			10,000.00	One time grant to all NS Fire Departments April 2022
11	Red Pumper Advertisement	0.00	0.00	0.00	
12	Fundraisers	7,000.00	12,262.00	8,000.00	Rafflebox & Card Fundraisers
13	Hall Rentals	500.00	1,310.00	1,000.00	
14	Natural Resources - DNR		0.00	0.00	
15	Bar Sales	300.00	0.00	300.00	
TOTAL REVENUE		223,842.25	222,249.70	248,994.68	
EXPENSE					
Fire Hall					
16	Bar Purchases/Liquor Licenses	800.00	0.00	300.00	Inventory done. \$181 in stock written off.
17	Supplies and Small Equipment	500.00	0.00	500.00	
18	Heating - Hall	3,000.00	1,145.00	2,500.00	Heat Pumps reduced demand for oil heating.
19	Propane - Hall	300.00	244.00	300.00	

		BUDGET 1 April 2021 to 31 March 2022	ACTUAL 1 April 2021 to 31 March 2022	BUDGET 1 April 2022 to 31 March 2023	Notes
20	Electricity - Hall	3,200.00	2,042.00	3,500.00	Anticipate more use as restrictions are lifted.
21	Business Licenses & Fees - Hall	400.00	207.00	300.00	
22	Custodial - Hall	1,500.00	781.00	1,500.00	
23	Repairs & Maintenance - Hall	6,000.00	9,062.00	25,000.00	22K for new roof. (\$6811 Deposit this FY) \$3327 LED credit
24	Snow Removal - Hall	1,000.00	521.00	1,400.00	More use, More snow. More expensive.
25	Telephone - Hall	450.00	414.00	500.00	
Total Costs - Hall		17,150.00	14,416.00	35,800.00	
Fire & Rescue Services					
Station					
26	Heating - Station	6,000.00	5,162.00	8,000.00	
27	Electricity - Station & Shed	3,000.00	2,549.00	3,500.00	
28	Propane - Station	250.00	103.00	250.00	
29	Snow Removal - Station	1,500.00	548.00	1,500.00	
30	Snow Removal - Dry Hydrant	300.00	0.00	0.00	
31	Repairs & Maintenance - Station	6,000.00	10,575.00	8,000.00	Chimney/Bay Door repair FY 21/22 LED rebate \$2667
32	Telephone & Internet - Station	2,500.00	2,330.00	2,750.00	2K for Radio Room reno
Total Costs - Station		19,550.00	21,267.00	24,000.00	

		BUDGET 1 April 2021 to 31 March 2022	ACTUAL 1 April 2021 to 31 March 2022	BUDGET 1 April 2022 to 31 March 2023	Notes
Trucks					
33	Truck Expenses - Gas & Oil	2,000.00	1,539.00	2,500.00	
34	Truck - Repairs & Maintenance	12,000.00	11,060.00	8,000.00	4K for pump valve replacement in T1 (done FY 21/22)
35	Truck - Cellular	2,200.00	3,065.00	2,200.00	1K for truck mounts for tablets FY 21/22
Total Costs - Trucks		16,200.00	15,664.00	12,700.00	
Other					
36	Advertising and Promotional Materials	3,000.00	663.00	2,000.00	Recruiting and Red Pumper
37	Communications & Licenses	4,200.00	3,957.00	4,400.00	
38	Fire Fighting Equipment and Supplies	22,000.00	28,717.00	49,000.00	Capital: FY 21/22: 10K for helmets, 18K for 2 B/A. FY 22/23: 20K for 4 sets B-Gear, 21K for 2 B/A, 4K for coveralls
39	Equipment Repairs and Maintenance	2,000.00	9,921.00	3,000.00	Repeater antenna repair was 7K in FY 21/22
40	Projects	30,000.00	0.00	30,000.00	Dry Hydrant repair, Burn Building and Radio Tower
41	Fire Prevention	500.00	0.00	500.00	
42	Membership/Subscription Fees	1,000.00	562.00	1,000.00	
43	Uniforms	3,000.00	1,234.00	4,300.00	Station wear in FY 21/22 and 3.3K jackets in FY 22/23
44	Training/Education/Meetings	6,500.00	2,026.00	6,500.00	
Total Costs - Other		72,200.00	47,080.00	100,700.00	
General & Administrative					
45	Bank Charges & Interest	100.00	91.00	100.00	
46	Purchases in Kind	0.00	0.00	0.00	
47	Insurance - Accident & Sickness	1,600.00	1,552.03	1,800.00	

48	Insurance - Liability	13,000.00	14,615.00	16,000.00	
49	Claims not covered by insurance	0.00	0.00	0.00	
50	Bookkeeping	2,500.00	1,402.00	1,800.00	
51	Professional Fees	3,000.00	2,031.00	2,400.00	
52	Meals and Social	1,000.00	1,629.00	1,000.00	Includes \$1029.60 for the Walters Fund
53	75th Anniversary			7,000.00	
54	Office Expenses	3,000.00	5,000.00	3,000.00	Computer replacement. Card printer and printer/copier
Total Cost - Gen & Administrative		24,200.00	26,320.03	33,100.00	
TOTAL EXPENDITURES		149,300.00	124,747.03	206,300.00	
Totals (Capital Fund Contribution)					
55	Total Revenue	223,842.25	222,249.70	248,994.68	
56	Total Expenditures	149,300.00	124,747.03	206,300.00	
57	Capital Reserve Fund Contribution	74,542.25	97,502.67	42,694.68	
REQUESTED FIRE TAX RATE FOR 2022/2023 IS UNCHANGED AT: \$0.13 PER \$100 ASSESSED VALUE					
58	TRANSFERRED TO INVESTMENTS (RESERVE FUNDS)		180,000.00		
		2020	2021	2022	
	Bank Balance - End March	70,475.77	145,477.00	84,866.43	
	Investment Balance - End March	400,865.32	431,218.11	623,097.41	

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