

LAHAVE AND DISTRICT FIRE DEPARTMENT

RATEPAYERS MEETING 25 MAY, 2023

FINANCIAL REPORT

INTRODUCTION

1. This report will be delivered in two parts. The first part provides a brief overview of the last Fiscal Year from April 1, 2022 to 31 March, 2023. 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 2022 to 31 Mar 2023

- 2. The main financial objectives for the Department remained 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.
- 3. The Department continues to invest in secure, Guaranteed Investment Certificates to organize and fund our large capital purchases. Our investments grew in value by over \$4300 over the past Fiscal Year.
- 4. Life cycle purchasing is underway. Another two sets of breathing apparatus have been replaced with new models. An inventory of our Bunker Gear was completed, and nine sets of new gear have been purchased. A complete listing of capital purchases is included on Page 4 of this report.
- 5. Our investment account and three Capital Reserve Funds status on 31 March 2023 is as follows:

<i>CAPITAL FUND ALLOCATIONS</i>		<i>INVESTMENT ACCOUNT DETAILS – 31 March 2023</i>	
TRUCK FUND	\$345,000.00	DUAL RATE INVESTMENT ACCOUNTS BALANCE	\$397,793.66
EQUIPMENT FUND	\$12,000.00	GUARANTEED INVESTMENT CERTIFICATES BALANCE	\$375,624.64
BUILDING FUND	\$233,000.00	TOTAL ALLOCATED RESERVES	\$590,000.00
TOTAL ALLOCATED RESERVES	\$590,000.00	UNALLOCATED BALANCE	\$183,418.30

For reference, the operating account balance on 31 March, 2023 was **\$20,994.59**.

6. The Financial Statements will be provided to meeting attendees.

7. **Overall, from a financial perspective, last Fiscal Year was a normal year in terms of the level of financial activity by the Department.**

Part Two: Budget and Fire Tax Rate

8. The current long term planning document for the Department is included on Page 5 of this report. We are expanding our fleet with two new vehicles to replace Truck # 5 which has been in service for about 23 years. **While life cycle replacement of equipment will continue, our focus moving forward will be on minimizing the amount of debt we are forced to carry.**

Budget Review

9. The budget for Fiscal Year 2023/2024 is on pages 6 to 9 of this report. It is assumed that inflation will continue, so where necessary, fuel, electricity and service-related allocations have been increased over last year's amounts.

Highlights - Revenue

10. **Lines 1 to 14.** Interest income from investments has rebounded with the rise in interest rates and the amount we have accumulated in investments. Last year, residents were very generous with donations – thank you! Supporters also generously contributed over \$18,000.00 through the 50/50 draw and other fundraisers last year. The Department was awarded a \$20,000 Emergency Services Provider Grant and the Province gave all Fire Departments a \$10,000 COVID grant. We also saw an increase in Hall rentals and activities as COVID restrictions were relaxed.

Highlights - Hall

11. **Lines 15 to 24.** The heat pump investment continues to provide significant savings on oil fuel costs. Major upgrades are now complete, including the Hall roof replacement at a cost of about \$27,000 which will last many years.

Highlights - Station

12. **Lines 25 to 31.** Our standby generator, which powers essential communications and other services at the Station during power failures, requires replacement at an estimated cost of about \$11,000. A Municipal grant has been applied for to offset some of that cost. The terms of the grant require the Station to be designated as a Comfort Centre. Renovations on the Radio Room have been allocated \$10,000 for this Fiscal Year. These renovations are necessary to accommodate the footprint of our vehicles and boat.

Highlights - Trucks

13. **Lines 32 to 34.** With inflation and fluctuating fuel prices, truck allocations have been increased except for cellular expenses. The Bell Mobility financing for our truck tablets has been completed and our monthly payments have now been cut by two thirds.

Highlights - Other

14. **Lines 35 to 43.** At Line 37, life cycling of Firefighting Equipment and Supplies will continue. This includes replacement of Truck 5, which is 23 years old, with two new vehicles. Gear from Truck 5 will be distributed among both new vehicles but there will be new equipment needed. Therefore, \$20,000 has been allocated to complete the equipment outfit needed on the new vehicles. In other equipment, \$3,000 will be spent on new wildland fire coveralls. Modifications to the boat trailer must be made to allow it to fit within the footprint of the Station following the arrival of our two new vehicles. We have eight breathing apparatus cylinders that require replacement during this Fiscal Year. \$11,000 has been allocated for their replacement.

15. At line 38, the Department was unable to complete the repair work on the dry hydrant at Huey Lake. The \$10,000 for this project and a \$20,000 contribution to the repeater antenna tower replacement has been transferred into the Capital Reserve Equipment Fund where it will remain and earn investment interest until the projects are completed. As of 25 May, 2023, the Equipment Fund is \$42,000 total.

Highlights – General and Administrative

15. **Lines 44 to 54.** Our investments and Capital Reserve Funds will be used to minimize the amount of the loan that we will require for the new vehicles. The first vehicle to arrive will be the Initial Attack truck and we will be able to pay for it fully on delivery. The Water Tender will arrive later this year and we expect that a loan of not more than \$250,000 will be needed on delivery. The loan will be a variable rate, open, commercial loan. Debt servicing costs will be about \$3,500 per month. The cost to service that debt for the period from August 2023 to the end of the Fiscal Year has been included in the budget at Line 45.

Conclusion and Tax Rate Motion

16. Although COVID impacts still linger, a return to normalcy is happening. The budget allocates funding needed to maintain our level of fire service to the District and perform necessary life cycling and upgrades. The requested tax rate supports the activities as described in the budget. There will be a need for a bank loan this Fiscal Year, however, steps have been taken to manage the debt servicing costs. Major improvements at the Fire Hall and to our firefighting equipment over the past several years will save us money going forward. 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 2023 to 2024”.*

Report Submitted by:
Derek Purcell
Treasurer

LAHAVE and DISTRICT FIRE DEPARTMENT CAPITAL PURCHASES – APRIL 2022 TO MARCH 2023

DATE OF PURCHASE	SUPPLIER	DESCRIPTION	COST INCL HST
FIRE FIGHTING EQUIPMENT AND SUPPLIES			
9 June 2022	UNITED RENTALS	BRUSH CUTTER	\$639.99
23 Aug 2022	CUMINGS FIRE & SAFETY	TWO MSA BREATHING APPARATUS	\$17,710.00
11 Jan 2023	CUMINGS FIRE & SAFETY	BOOTS	\$689.99
31 Jan 2023	CUMINGS FIRE & SAFETY	BATTERY PACKS FOR G1 BREATHING APPARATUS	\$1,322.50
20 Feb 2023	NOVA FIRE EQUIPMENT LTD	9 SETS TURNOUT GEAR	\$32,876.44
TOTAL FIREFIGHTING EQUIPMENT PURCHASED			\$53,238.92
TOTAL CAPITAL EXPENDITURES			\$53,238.92

**LaHave and District Fire Department
25 May 2023
Long Term Plan (Truck and Building)**

Legend:		Replace Unit		Assumptions		Loan (Debt)	
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REPLACEMENT PLAN: Yellow boxes contain information on current fleet and new builds. In 2019, replacement costs were estimated for the truck fleet existing at that time. In this year's plan, we have included contract costs for new builds and updated a replacement cost for Truck 4. Note that in 2023, we are changing the capability and size of our fleet.

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 plan to replace the indicated unit. Example: Truck #5 will be replaced in 2023 with an initial attack vehicle at a cost of \$478,508.

Assumes Replacement Cost at 5% inflation per year.

	BUILD	AGE (2023)	2019	2023	2024	2025	2026	2027	2028	2029
Truck # 5	2023	New Build - Initial Attack		\$478,508						
Truck # 4	2004	18		\$120,000	\$126,000	\$132,300	\$138,915	\$145,861	\$153,154	\$160,811
Truck # 3	2023	New Build - Water Tender		\$543,950						
Truck # 1	2010	13	\$600,000	\$729,304	\$765,769	\$804,058	\$844,261	\$886,474	\$930,797	\$977,337
Truck # 2	2016	7	\$330,000	\$401,117	\$421,173	\$442,231	\$464,343	\$487,560	\$511,938	\$537,535
Boat	2007	16	\$60,000	\$72,930	\$76,577	\$80,405	\$84,426	\$88,647	\$93,079	\$97,733
Station	?	Various	\$900,000	\$1,093,956	\$1,148,654	\$1,206,086	\$1,266,391	\$1,329,710	\$1,396,196	\$1,466,006

RESERVE FUNDS: These are funds budgeted for future purchases and kept in investments to earn interest until the purchase is ready to move forward. For example, the repeater tower replacement will cost more than 60K. We budgeted 20K in FY 22/23, did not spend it, so it was moved into the Equipment Reserve Fund and added to the 12K we had previously budgeted. We now have 32K saved for the repeater tower project.

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 Reserve Fund growth projected into future years. Red boxes are where we need to go into debt.

RESERVE FUND PLAN - Does not include interest earned or loan interest charged

		2019	2023	2024	2025	2026	2027	2028	2029
Truck Fund	Assume 60% of 80K annually	\$345,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		Vehicle Debt	\$250,000	\$202,000	\$286,000	\$238,000	\$190,000	\$142,000	\$94,000
Equipment Fund		\$12,000	\$42,000						
Building	Assume 40% of 80K annually	\$233,000	\$32,000	\$64,000	\$96,000	\$128,000	\$160,000	\$192,000	\$224,000

BUDGET FOR FISCAL YEAR 2023/2024 LaHave and District Fire Department		BUDGET 1 April 2022 to 31 March 2023	ACTUAL 1 April 2022 to 31 March 2023	BUDGET 1 April 2023 to 31 March 2024	Notes
REVENUE RECEIVED					
1	Interest Income	3,577.00	4,313.31	5,000.00	Compound interest and maturity values FY (NOT CY)
2	Donations - General	2,000.00	2,480.00	2,000.00	
3	Donations - Auxiliary	5,000.00	10,000.00	5,000.00	
4	Donations in Kind	0.00	0.00	0.00	
5	Fire Tax (at .13 rate)	213,217.68	213,397.46	220,000.00	
6	PROV REBATE INSURANCE	2,600.00	2,490.53	2,500.00	
7	Personnel Insurance Grant	500.00	442.94	500.00	
8	Emergency Services Provider Grant	0.00	20,000.00	0.00	20K to offset part of FY 22/23 Bunker Gear cost. See Line 37, Firefighting Equipment and Supplies.
9	Municipal Grants	2,800.00	2,592.39	2,600.00	Municipal and Matching Grants
10	Provincial COVID Grant		10,000.00	10,000.00	
11	Fundraisers	8,000.00	18,632.78	12,000.00	Rafflebox & Card Fundraisers
12	Hall Rentals	1,000.00	1,770.00	1,000.00	
13	Natural Resources - DNR	0.00	434.30	0.00	
14	Bar Sales	300.00	897.75	1,000.00	
TOTAL REVENUE		238,994.68	287,451.46	261,600.00	
EXPENSE					
Fire Hall					
15	Bar Purchases/Liquor Licenses	300.00	871.69	1,000.00	
16	Supplies and Small Equipment	500.00	54.70	250.00	
17	Heating - Hall	2,500.00	1,751.00	3,000.00	Heat Pumps reduced demand for oil heating.
18	Propane - Hall	300.00	317.74	300.00	

19	Electricity - Hall	3,500.00	2,230.20	3,000.00	Actual is low because of mild winter.
20	Business Licenses & Fees - Hall	300.00	0.00	600.00	ENTANDEM bill for last FY did not arrive.
21	Custodial - Hall	1,500.00	1,437.44	2,000.00	
22	Repairs & Maintenance - Hall	25,000.00	19,626.32	7,000.00	Major repairs and upgrades are now complete. New cost of \$1000 per year for fire panel inspection.
23	Snow Removal - Hall	1,400.00	417.17	1,500.00	Mild winter.
24	Telephone - Hall	500.00	418.31	500.00	
Total Costs - Hall		35,800.00	27,124.57	19,150.00	
Fire & Rescue Services					
Station					
25	Heating - Station	8,000.00	11,478.26	10,000.00	
26	Electricity - Station & Shed	3,500.00	2,350.12	3,500.00	
27	Propane - Station	250.00	103.25	300.00	
28	Snow Removal - Station	1,500.00	417.17	1,500.00	Mild winter.
29	Snow Removal - Dry Hydrant	0.00	0.00	0.00	Until work gets done to return it to service
30	Repairs & Maintenance - Station	8,000.00	5,937.62	17,000.00	11K for generator replacement. May be reduced if Municipal grant application is successful.
31	Telephone & Internet - Station	2,750.00	2,407.29	2,600.00	
Total Costs - Station		24,000.00	22,693.71	34,900.00	
Trucks					
32	Truck Expenses - Gas & Oil	2,500.00	2,767.14	3,000.00	
33	Truck - Repairs & Maintenance	8,000.00	7,514.51	10,000.00	Increased budgeted amount due to aging vehicles and uncertain deliveries.
34	Truck - Cellular	2,200.00	1,430.50	1,000.00	Reduced - Tablet financing is now paid off
Total Costs - Trucks		12,700.00	11,712.15	14,000.00	

Other					
35	Advertising and Promotional Materials	2,000.00	1,545.74	2,000.00	Recruiting, Community Outreach and Red Pumper
36	Communications & Licenses	4,400.00	5,696.32	5,500.00	Paid for 3 years of lamResponding (extra \$600)
37	Fire Fighting Equipment and Supplies	49,000.00	40,967.06	44,000.00	FY 22/23: 28K for 9 sets B-Gear, 16K for 2 B/A. B-Gear may be partially covered by Grant. When grant comes in will be entered at line 8 as revenue. FY 23/24: 3K for 8 sets wildland coveralls, 20K for new truck commissioning, 1K for boat trailer mods, 1.2K for new thermal imager, 11K for eight new BA cylinders, 7K yearly allocation.
38	Equipment Repairs and Maintenance	3,000.00	2,861.37	3,500.00	
39	Projects	30,000.00	0.00	20,000.00	FY 22/23: Moved 30K for dry hydrant repair and repeater tower replacement into investments FY 23/24: 10K Radio Room reno, 10K repeater tower.
40	Fire Prevention	500.00	152.99	500.00	
41	Membership/Subscription Fees	1,000.00	300.00	500.00	
42	Uniforms	4,300.00	3,815.39	2,500.00	
43	Training/Education/Meetings	6,500.00	3,719.06	6,500.00	
Total Costs - Other		100,700.00	59,057.93	85,000.00	
General & Administrative					
44	Bank Charges & Interest	100.00	88.23	100.00	
45	Loan Payments	0.00	0.00	28,000.00	\$3.5K per month from Aug 23 to Mar 24.
46	Purchases in Kind	0.00	0.00	0.00	
47	Insurance - Personnel	1,800.00	1,505.04	1,800.00	
48	Insurance - Liability	16,000.00	16,905.00	17,000.00	
49	Claims not covered by insurance	0.00	0.00	0.00	
50	Bookkeeping	1,800.00	135.58	2,000.00	
51	Professional Fees	2,400.00	3,470.71	2,500.00	

52	Meals and Social	1,000.00	1,447.15	1,500.00	Includes last years donations to the meal programs at Pentz and Petite in addition to this years donations.
53	75th Anniversary	7,000.00	2,170.08	4,830.00	Difference between \$7K originally allocated and \$2170 spent
54	Office Expenses	3,000.00	1,482.08	3,500.00	1.5K for Computer replacement in 2023. Printer cartridges.
Total Cost - Gen & Administrative		33,100.00	27,203.87	61,230.00	
TOTAL EXPENDITURES		206,300.00	147,792.23	211,280.00	
Totals (Capital Fund Contribution)					
55	Total Revenue	238,994.68	287,451.46	261,600.00	
56	Total Expenditures	206,300.00	147,792.23	214,280.00	
57	Capital Reserve Fund Contribution	32,694.68	139,659.23	47,320.00	140K moved into Investments (not spent FY 22/23)
REQUESTED FIRE TAX RATE PROPOSED FOR 2023/2024 IS UNCHANGED AT: \$0.13 PER \$100 ASSESSED VALUE					
58	TRANSFERRED TO INVESTMENTS (RESERVE FUNDS) THIS FISCAL YEAR		\$140,000.00		
Generated On: 14 April 2023					
			2022	2023	
Bank Balance - End March			\$84,866.43	\$20,994.59	
Investment Balance - End March			\$623,097.41	\$773,418.30	