



STAFF REPORT

SUBMITTED BY: Dwayne Hunt & Chris Frotten

DATE: November 8, 2022

SUBJECT: Fire Department Funding Model Review

ORIGIN

On January 27, 2020, Council passed resolutions C200112 and C200113 that respectively set a Municipal Fire Capital Purchasing Tax Rate of 1.5 cents per \$100.00 of assessment to be used by fire departments for capital purchases and set fire area rates to be reviewed every three years rather than every year. Next fiscal year will mark three years since implementing this funding model, so we are seeking Council's direction on possible rates to help in the preparation of next year's budgets.

BACKGROUND

In 2019 and 2020, the way our fire departments were funded was reviewed and Council contemplated a number of options on how to address the challenges with the model of the day. The options and background information can be found in the attached staff reports.

There have been numerous funding formulas for the fire departments over the years. In 2020, the current funding formula was put in place which set a capital equipment rate to ensure equipment was kept up to standards and secured an area rate for each department for a period of three years.

DISCUSSION

Prior to 2020, the fire departments did their budget for the upcoming year and the area rate was set based on that budget. This required the departments to present their budgets to Council on a yearly basis and there was little cohesion and transition from one budget to another. This also caused the rate to fluctuate annually and made long-term planning challenging and was somewhat confusing to taxpayers as the rate could change from year to year.

With a secured rate over the past three years, the departments have been able to set budgets based on revenue generated from their rates. As we predicted, this has allowed for better long-term planning and has allowed the departments to manage unexpected revenues and expenses more efficiently. With the increase in assessments over the years, they have also been able to offset the increases in operations

expenditures. For example, the cost of fuel, insurance and equipment has increased, but not to the degree of having a detrimental impact on the department's financial and operational capacity as the increase in assessment gave them more funding with the rates being maintained.

As for the capital rate, it has allowed the departments to replace gear and equipment with a more systematic approach. For example, instead of replacing 10 sets of gear in one year they space it out over 3. The same approach has been taken with self-contained breathing apparatuses (SCBA). This has also allowed the departments to keep them up to National Fire Protection Association (NFPA) standards.

One of the goals of implementing this funding model was to reduce and/or manage the number of loans for equipment, vehicles and infrastructure and reduce the number of vehicles in our fleet. These goals were established to improve our oversight on loans and ensure outstanding loans were paid in full before new ones could be instituted and to ensure that the number and types of vehicles in our fleet were appropriate for the needs of our departments. As you will recall, the departments provided a truck replacement plan back in 2019 based on the funding model. Over the past three years, the has been amended due to changing circumstances but all in all, it has been an excellent tool to keep everyone informed and has helped the departments develop their short and long-term budgets. We are also pleased to report that the number of vehicles has been reduced to 15 vehicles, down from 17 in 2019. The latest revision of loan information and planned purchases is attached.

Over the last three years 30 sets of turnout gear, 7 SCBAs and numerous other pieces of equipment have been replaced or upgraded. One new truck has been ordered, one new truck is in the planning stages and one fire hall renovation for a training room is in the planning stages.

BUDGET IMPLICATIONS

N/A

LEGAL IMPLICATIONS

N/A

PUBLIC CONSULTATION/COMMUNICATIONS

All three departments have indicated that they are happy with the current funding arrangement and would like it to continue the way it is. In our discussions with the chiefs and treasurers, the current model has helped them plan longer term for larger purchases.

RECOMMENDATION

From our perspective, this funding model has made the budget process more streamlined and has put the onus on the fire departments to better manage their finances and replacement plans. It is allowing the fire departments to keep their fleet of vehicles and equipment up to standards without altering the area

rate. There will undoubtedly be some further amendments to the capital investment plan due to changing circumstances, but the end goal of reducing the fleet is still on target.

Based on the efficiency of the funding model and the positive feedback received from the departments, we recommend continuing with the capital purchasing rate of 1.5 cents per \$100 of assessment and maintaining the same fire area rates for a period of 3 to 5 years; being 11.3 cents per \$100 of assessment for Barrington/Port LaTour, 11.4 cents per \$100 of assessment for Island and Barrington Passage, and 17.2 cents per \$100 of assessment of Woods Harbour/Shag Harbour.

SUGGESTED MOTION

Move to recommend to Council to set a capital purchasing tax rate of 1.5 cents per \$100 of assessment and the following fire area rates for the next three fiscal years, beginning in 2023/2024:

- Barrington/Port LaTour - \$0.113 per \$100 of assessment
- Island and Barrington Passage - \$0.114 per \$100 of assessment
- Woods Harbour/Shag Harbour - \$0.172 per \$100 of assessment

ALTERNATIVES

- Different rates could be set.
- Rates could be secured for a different length of time.
- The decision could be delayed to a later date.
- Council could opt to revert to the old funding model.

ATTACHMENTS

- 2022 Municipal Fire Department Capital Investment Plan
- March 31, 2022 Financial Statements - Fire Services Department Revenue and Expenditure
- November 17, 2019 Staff Report - Fire Department Capital Purchasing Plan
- January 20, 2022 Staff Report - Fire Department Capital Purchasing Plan Update

MUNICIPAL FIRE SERVICE LOANS 2022

	Quint	Pumper	Tanker	Pump size	Water Capacity	Rescue	Utility	Passenger	Loan Paid	20 year	loan payment	Planned Rep
Woods Harbour Shag Harbour												
Trk #												
15		1996 Volvo		1050	1000					2016		2031
11		2016 Spartan		1250	2500				2031	2036	\$45,000	2041
14						2012 Spartan			2022	2032		2031
16								2023 chev	2033	2043	\$10,000	2023
23							2000 Ford			2020		N/R
Hall Reno									2033		\$24,000	2023
Island Barrington Passage												
36			2007 Int.	420	3000				2014	2027		2025
30						2022 Dodge			2033	2042	\$31,000	2023
38								2018 Ford		2038		
31		2015 International		1250	1500				2025	2035	\$49,000	2030
L3	2020			1250	333				2030	2040	\$80,000	2040
Barrington Port Latour												
42		2001 GMC		1050	1000					2021		2026
43						2008 Ford				2028		2026
41			2019 Int.	420	2500				2022	2039	\$24,000	
45							2008 Chev			2028		
46		2008 Kenworth		1050	2500					2028		
Hall									2026		\$80,000	
Total Yearly Loan Payments												
											\$343,000	
Those highlighted in yellow are pumper tanker												
Hall Reno & Van Replacement \$34,000 WSHH Medium Rescue IBP \$31,000												
Replaced with Rescue Pumper												
TRUCK REPLACEMENT SCHEDULE												
YEAR	2023	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
DEPT.	WHS	IBP		IBP	BPLT				IBP	WHS		
TRUCK TYPE	Pass Van Hall Reno	Medium Rescue		Tanker	Rescue Pumper				Pumper	Rescue Pumper		

Municipality of the District of Barrington
Fire Services
Department Revenue and Expenditure

(Unaudited - see advisory to readers)

Year ended March 31

	Woods Hbr Shag Hbr	Island & Barrington	Barrington & Port LaTour	2022 Total	2021 Total
Revenue					
Other Municipal units	\$ -	\$ 51,080	\$ -	\$ 51,080	\$ 51,080
HST Rebates	9,631	16,228	7,902	33,761	116,441
Other revenue	-	39,799	-	39,799	153,042
	<u>9,631</u>	<u>107,108</u>	<u>7,902</u>	<u>124,641</u>	<u>320,563</u>
Area Rates	197,494	259,428	189,945	646,867	637,278
	207,125	366,536	197,847	771,508	957,841
Expenditures	<u>186,773</u>	<u>421,133</u>	<u>218,394</u>	<u>826,300</u>	<u>1,010,129</u>
Deficit	20,352	(54,597)	(20,547)	(54,792)	(52,288)
Opening (receivable) payable	(3,367)	73,430	20,741	90,804	143,092
Closing (receivable) payable	<u>\$ 16,985</u>	<u>\$ 18,833</u>	<u>\$ 194</u>	<u>\$ 36,012</u>	<u>\$ 90,804</u>



STAFF REPORT

SUBMITTED BY: Dwayne Hunt & Chris Frotten

DATE: November 27, 2019

SUBJECT: Fire Department Capital Purchasing Plan Update

ORIGIN

On May 27, 2019 Council passed resolution C190509 that, following the 2019/2020 Budget, put a freeze on all area fire rates and capital purchases on all fire departments within the Municipality until staff had an opportunity to review the process for all future capital purchases and information be presented to Committee of the Whole for review and consideration.

BACKGROUND

The fire service in the municipality has undergone significant change in the last 10 years. We now have 3 firehalls compared to 6 and 17 vehicles instead of 27. Firefighter training as well as equipment and facilities are far superior to what they were. This has been accomplished through the dedication of the fire departments and council providing adequate funding. The Municipality of Barrington is well known for its excellent fire service.

Keeping that in mind, there are still improvements that can be made. Capital planning and purchasing, specifically of gear and vehicles, is one example. For this reason, Council tasked Staff to review the capital purchasing process and recommend changes to improve financial sustainability and achieve stable rates. Several funding models have been explored, and several meetings have been held with fire department chiefs and treasurers to discuss various options which were then taken back to their respective fire departments for feedback. The chiefs and treasurers were chosen because of their knowledge of the financial and future needs of the departments. The group was used to share information with the thought being that those officers would be in the best position to take factual information back to their respective departments for feedback. A special meeting was also held with the WSHH Fire Department to try and address their concerns.

Since the outcome will have some level of impact on the fire departments, it was felt that having them involved in the process would help foster relationships as we work towards a sustainable plan with stable rates.

To better understand our current situation, here is a table summarizing each department.

Municipality of Barrington Fire Departments Information 2019				
Training Summary				
	BPLTFD	IBPFD	WHSHFD	Total
Trained to FF-I	22	25	25	72
Exterior	10	5	6	21
Some FF-I Training (New)	0	8	1	9
No FF-I Training Admin	4	4	2	10
Membership	36	42	34	112
62% of the firefighters in the Municipality are trained to Firefighter I				
18% of the firefighters are exterior trained firefighters				
9% of the firefighters in the Municipality are not formally trained (New)				
Vehicle Summary				
	BPLTFD	IBPFD	WHSHFD	Total
Vehicles	6	6	5	17
Future Vehicles	4	5	3	12
Financial Summary (2019/2020)				
	BPLTFD	IBPFD	WHSHFD	Total
Assesment	\$141,897,800	\$197,116,300	\$98,551,900	\$437,566,000
Rate Generated	\$181,634	\$246,395	\$191,191	\$619,220
Other Sources	\$68,500	\$53,743	\$10,291	\$132,534
Operating Cost	\$250,134	\$300,138	\$201,482	\$751,754
Call Summary (Jan. 2019 - Oct. 2019)				
	BPLTFD	IBPFD	WHSHFD	Total
Fire	18	13	10	41
Medical	6	6	86	98
MVA	11	12	3	26
Auto or Mutual Aid	6	9	12	27
Other	31	77	21	129
Total Calls	72	117	132	321

DISCUSSION

As mentioned, several funding models were explored and discussed. Here is a summary:

1. One rate for all department budgets.

This option would eliminate the three separate fire area rates and create a uniform municipal fire tax rate. Based on the current budgets, if the Municipality were to implement a uniform municipal fire tax rate for all fire departments, that rate would be 14.1 cents per \$100 of assessment.

2. One rate for existing loan payments and new trucks.

This option would keep the three separate fire area rates but would reduce each rate by the dollar value of a corresponding municipal tax rate for existing loan payments and the purchase of new trucks. Based on the current budgets, if the Municipality were to implement a municipal tax rate for all truck purchases, that rate would be 7.7 cents per \$100 of assessment.

3. One rate for existing loan payment and new trucks and gear.

This option would also keep the three separate fire area rates but would reduce each rate by the dollar value of a corresponding municipal tax rate for existing loan payments and the purchase of new trucks and gear. Based on the current budgets, if the Municipality were to implement a municipal tax rate for all truck and gear purchases, that rate would be 9.2 cents per \$100 of assessment.

After discussing these three options, all three were met with strong opposition from the fire departments. Some felt that the individual departments were better suited to make decisions on what type of trucks should be purchased rather than somebody else telling them what they could purchase, and others did not like the idea of their rates going up. For this reason, we worked on another option which would keep the decision-making authority with the departments but would set parameters to plan appropriately for these purchases.

4. A rate for capital equipment purchases based on the cost of 1 SCBA and 3 sets of turnout gear per year per department and set the fire area rates every 3-5 years rather than every year.

This option would implement a municipal *fire capital equipment rate* of 1.5 cents per \$100 of assessment which would translate into \$65,634.90 (\$21,878.30/department) per year for capital equipment purchases. The corresponding dollar value would be removed from each department's budget and the chart below shows what the rates would become if this rate was implemented.

In the past 3 years, departments have spent anywhere between \$15,000 and \$45,000 on capital purchases. Upon review of the historical financial information and the upcoming capital purchases, the Fire Services Coordinator believes that \$21,878.30 per department per year is an adequate amount of funding to maintain standards.

Impact of Implementing a <i>Fire Capital Equipment Rate</i>			
	BPLT	IBP	WHSB
Current Fire Area Rates	12.8	12.5	19.4
Municipal Fire Capital Equipment Rate	1.5	1.5	1.5
Corresponding Fire Area Rate Reduction	(1.5)	(1.1)	(2.2)
New Fire Area Rate	12.8	12.9	18.7

The funds collected from the rate would be intended for the purchase of SCBA and turnout gear, however, it could be invested for future capital equipment purchases under section 7.6 of the Fire Response and Emergency Services Policy (Policy #54). The assessment of the need to purchase gear would be made by the Fire Services Coordinated as he would have an up to date inventory of the equipment within each department and would have a clear understanding of their future purchases.

Structuring the rates this way and setting fire area rates every 3-5 years will allow the Municipality to ensure that the fire departments keep their gear up to standards and replace vehicles as loans are paid off. This option would also allow fire departments to build a capital reserve fund to be used for future capital purchases and make long term replacement planning easier for the departments. It would also put the onus on the fire departments to manage their finances in order to replace equipment in a more planned fashion.

To further explore this option, all three departments submitted a ten-year vehicle replacement plan which are attached. The replacement plan below, which indicates when loans are matured and the life expectancy of the trucks, was developed using the attached plans.

MUNICIPAL FIRE SERVICE FIRE VEHICLES 2019												
	Quint	Pumper	Tanker	Pump GPM	Tank Gal	Rescue	Utility	Passenger	loan payment	Loan Paid	20 year	Planned Rep
	Woods Harbour Shag Harbour											
15		1996 Volvo		1050	1000						2016	2031
11		2016 Spar		1250	2500				\$45,000	2031	2036	2041
14						2012 Spar			\$34,000	2022	2032	2031
16								2006 Chev			2021	2023
23							2000 Ford				2020	N/R
									\$79,000			
	Island Barrington Passage											
37		2007 Int		1050	1000							N/R
36			2007 Int	420	3000						2027	2030
30						2007 Int					2027	2035
38								2018 Ford			2035	
34		1995 Int		420	1500						2015	2025
31		2015 Int		1250	1500				\$49,000	2025	2035	2035
3	2020 Rose			1250	400				\$85,000	2030	2040	2045
Compressor									\$21,000	2026		N/R
									\$155,000			
	Barrington Port Latour											
42		2001 GMC		1050	1000						2021	2026
43						2008 Ford					2028	2026
41			2019 Int	420	2500				\$24,000	2029	2039	
44		2003 Freig		1050	1000						2023	2029
45							2008 Chev				2023	
46		2008 Ken		1050	2500						2028	2036
Hall									\$80,000	2026		N/R
									\$104,000			
	Total Yearly Loan Payments								\$338,000			
	Department yearly loan total											
	Those highlighted in yellow are pumper tanker											
	Replaced with Rescue Pumper											
	Current cost of Rescue Pumper: Commercial Chassis \$450,000 Custom Chassis \$650,000											
	Current cost of a Tanker: \$360,000											
TRUCK REPLACEMENT SCHEDULE												
YEAR	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
DEPT.				WHSH		IBP	BPLT			BPLT	IBP	WHSH
TRUCK TYPE				Passenger Van		Tanker	Rescue Pumper			Pumper	Tanker	Rescue pumper

This plan also incorporates replacing rescue trucks and pumper trucks with a rescue pumper truck and not replacing some vehicles. **This will allow the fleet to be reduced from 17 to 12 vehicles.**

Although this option did not please all the departments, it appeared to be the best received of the explored options.

5. Keep the fire department rates as they currently are.

This option represents the status quo. It would maintain the onus on the fire departments to their funding to keep their equipment and trucks up to standards but there would be no parameters put in place to improve financial sustainability and achieve stable rates. The Municipality could, however, mandate that a percentage of each fire department's budget must be earmarked for capital purchases or limit the amount of loans for truck purchases each department can have.

BUDGET IMPLICATIONS

Budget implications vary depending on which option is chosen. Options 4 and 5 would have the smallest impact on the area rates but in either option, a clear understanding of where the revenue from offsetting funding (i.e. the Emergency Services Provider Fund, the sale of a vehicle and HST rebate from the purchase of capital equipment) would be posted. For example, if a fire department was to purchase a truck, would the revenue from the HST rebate be incorporated in the departments operating budget, would it need to be applied to the purchase of the truck or could it be held in reserve for the next capital equipment purchase?

Finally, by locking the rates for a fixed number of years the only impact on the taxpayer would be changes in assessment. This would then remove the uncertainty factor for municipal budgeting and make the process more efficient.

LEGAL IMPLICATIONS

N/A

PUBLIC CONSULTATION/COMMUNICATIONS

As mentioned on numerous occasions above, the consultation has been primarily with the group of chiefs and treasurers. We have, however, met with the WSHH fire department individually to discuss our intentions and hear their feedback.

RECOMMENDATION

As this staff report is provided to you as an update to our process and to get feedback, there is no recommendation.

That being said, it should be noted that the fire departments have done a good job managing their funding and keeping the equipment up to standard thus far. We have, in the past 2 years, purchased new vehicles but this has been in correlation with their truck replacement plans and purchases will not happen every year. At this time, we would not recommend imposing a design/type or dollar limit on the purchase of new equipment and trucks.

SUGGESTED MOTION

N/A

ATTACHMENTS

1. Fire Department submitted 10-year truck replacement plans.
2. Fire service rates from other municipalities.

IBPFD

Truck Replacement Plan:

Current fleet:

#34-- 1995 tanker-1500gallon
already past the 20 year ULC rating period. We would nurse this tanker for 6 more years until #31 is paid for and then replace it in 2024.

#36-- 2007 tanker 3000 gallon
would be due for replacement in 2027. We would replace it in 2029 when the quint is paid for

#37 would be sold or traded towards the cost of the quint. \$100K - \$125K

#30--2007 heavy Rescue and #31--2014 pumper tanker would be due for replacement in 2034 and could be replaced in 2034 with a rescue pumper.

This replacement plan would be achievable with the proposed rate of 15.3 cents in place and it would space out the truck replacement to a manageable time frame.

BPLT

BARRINGTON/PORT LATOUR VOL. FIRE DEPT.

10 YEAR CAPITAL PLAN (EQUIPMENT PROJECTIONS)

BASED ON CURRENT TAX RATE FOR 2019/20

EQUIPMENT	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
CURRENT TRUCK LOAN	\$ 28,247.97	\$ 27,543.96	\$ 26,839.85	\$ 26,135.97	\$ 25,431.96	\$ 24,727.97	\$ 24,023.98	\$ 23,319.97	\$ 22,615.97	\$ 9,215.66 L/P AUG. 1/19
CURRENT HALL LOAD	\$ 78,840.22	\$ 77,543.22	\$ 76,108.32	\$ 74,523.58	\$ 72,792.64	\$ 70,940.66	\$ 68,994.50 L/P MAY 16/16			
LOANS TOTAL	\$ 107,088.19	\$ 105,087.18	\$ 102,948.17	\$ 100,659.55	\$ 98,224.60	\$ 95,668.63	\$ 93,018.48	\$ 23,319.97	\$ 22,615.97	\$ 9,215.66
TRUCK REQUIREMENTS	2022/23 2 FRONT LINE TRUCKS GO OUT OF COMMISSION						NEW TRUCK TO REPLACE 1 POSSIBLY 2 TRUCK			
TURN OUT GEAR	3 SETS		3 SETS		3 SETS		3 SETS		3 SETS	
B/A'S		2 SETS		2 SETS		2 SETS		2 SETS		2 SETS
PAGERS / RADIOS										
JAWS			1 (USED F/F FUND)							

WHSH

TO: Fire Coordinator of Municipality of Barrington
FROM: Woods Harbour Shag Harbour Volunteer Fire Department
DATE: September 9, 2019
RE: Truck Replacement Plan Proposal

1. Finish paying loan on Rescue 14.
2. Keep same amount of funding to go towards loan payments on Engine 11, OR
3. Replace passenger van.
4. Continue same funding until loan on Engine 11 is paid in full.

Ricky Bonds Treasurer

Comparable Municipal Fire Rates

District of Lunenburg

Big Tancook Island ERA	0.10
Blockhouse FD	0.143
Clearland Fire Protection (MAB)	0.11
Conquerall Bank FD	0.15
Cornwall and District FD	0.10
Dayspring & District Fire Protection	0.15
District 1 and 2 Fire Commission	0.065
Hebbs Cross FD	0.15
Hebbville FD	0.113
Hemford & District FD	0.15
Indian Point FD	0.10
Italy Cross/Middlewood FD	0.12
Lahave FD	0.11
Lapland and District FD	0.12
Mader's Cove Fire Protection (MAB)	0.10
Martins River FD	0.17
Midville and District FD	0.17
New Germany Volunteer FD	0.15
Northfield and District FD	0.14
Oakhill and District FD	0.17
Oakland Fire Protection (MAB)	0.11
Petite Riviere FD	0.19
Pleasantville and District FD	0.13
Riverport FD	0.12
Tri District Fire/Rescue	0.15
United Communities FD	0.12
Walden FD	0.15
Wileville FD	0.11
Avg.	0.131

District of Chester

Blandford	0.13
Hubbards	0.105
Mill Cove Hydrants	0.28
Chester Basin	0.11
Western Shore	0.16
Martins River	0.20

New Ross	0.17
Outside Area	0.074
Islands (Fireboat)	0.071
Avg.	0.14

District of Yarmouth

Carleton Fire Department	0.11
Port Maitland Fire Department	0.14
Yarmouth Fire Department	0.16
Lakes & District Fire Department	0.17
Lake Vaughan Fire Department	0.15
Valley & District Fire Department	0.08
Kemptville Fire Department	0.11
Avg.	0.13

District of Argyle

West Pubnico, Pubnico Head, Lr. Argyle	0.07
Wedgeport and District	0.07
SAR/Eel Brook	0.125
East Pubnico	0.050
East Kemptville	0.030
Quinan and District	0.10
Lake Vaughan	0.050
Islands and District	0.07
Avg.	0.07
	+ 0.08 (from their general rate)
	0.15



STAFF REPORT

SUBMITTED BY: Dwayne Hunt & Chris Frotten

DATE: January 20, 2020

SUBJECT: Fire Department Capital Plan

ORIGIN

On May 27, 2019 council passed resolution C190509 that, following the 2019/2020 Budget that a freeze be placed on all area fire rates and capital purchases on all fire departments within the Municipality until staff have had an opportunity to review the process for all future capital purchases and information be presented to the Committee of the Whole Council for review and consideration.

BACKGROUND

This is an update to the report presented at the December 2, 2019 Committee of the Whole Meeting, a copy of which is attached to this document.

DISCUSSION

Working towards this recommendation has been a lengthy, but beneficial process. There have been several meetings with chiefs and treasurers as well as meetings with WSHS and BPLT departments individually to address concerns that they had. This process has processed a wealth of information for both the Municipality and the Fire Departments. At this point, everyone seems to have a much better understanding of the long-term planning and funding for fire departments and how to accomplish that plan with stable rates.

There is no doubt that there were concerns voiced by the fire departments which came from past experiences or perceived problems. For example, the BPLT Fire Department has voted against this proposal due to concerns they had regarding the financial management of the new rate. That being said, following our individual meeting with the members, they were much more comfortable with the plan and did not see it greatly affecting their operations. There has been a lot of changes in the last 6 years, which were necessary to get to where we are today and most of the concerns expressed have been related to those changes.

It is our belief that if we move forward in this manner and forget about the past, the relationship we have built will prevent future issues.

BUDGET IMPLICATIONS

This option would cause the smallest change in the area rates and by setting the rates for a fixed number of years, the only impact on the taxpayer would be changes in assessment. This option would also add certainty in the Municipality's budgeting.

LEGAL IMPLICATIONS

N/A

PUBLIC CONSULTATION/COMMUNICATIONS

As mentioned in the discussion section of this report, we have communicated regularly throughout this process with the group of chiefs and treasurers and have attended a meeting at the WSHH and BPLT fire departments. These meetings and conversations have allowed us to provide a background on the reasons why we are pursuing this and answer any questions or concerns.

For the most part, after meeting with the chiefs and treasurers and both the WSHH and BPLT fire departments, the feedback was positive regarding the implementation of a rate for capital purchase and setting rates for 3 years.

RECOMMENDATION

It is our recommendation to put in place a Capital Purchasing Rate of 1.5 cents per \$100 of assessment and have the funds generated from the rate divided equally between the three fire departments for capital equipment purchases.

Subsequently, that dollar amount would be removed from their budgets and we would set rates for three years is the best option to accomplish our goals and is fair to all departments. It will require some adjustments on the municipalities end to ensure there are no perceived discrepancies in the accounting of funds for the fire departments.

SUGGESTED MOTIONS

Move to set a municipal Capital Purchasing Tax Rate of 1.5 cents per \$100 of assessment and that the revenues accumulated from this rate be divided equally amongst the three fire departments and used for capital purchase.

Move to set fire area rate every 3 years rather than every year to help stabilize fire area rates and allow the Municipality and the Fire Departments to better plan financially for the future.

ATTACHMENTS

1. Report previously presented at December 2, 2019 Committee of the Whole Meeting.



STAFF REPORT

SUBMITTED BY: Dwayne Hunt & Chris Frotten

DATE: November 27, 2019

SUBJECT: Fire Department Capital Purchasing Plan Update

ORIGIN

On May 27, 2019 Council passed resolution C190509 that, following the 2019/2020 Budget, put a freeze on all area fire rates and capital purchases on all fire departments within the Municipality until staff had an opportunity to review the process for all future capital purchases and information be presented to Committee of the Whole for review and consideration.

BACKGROUND

The fire service in the municipality has undergone significant change in the last 10 years. We now have 3 firehalls compared to 6 and 17 vehicles instead of 27. Firefighter training as well as equipment and facilities are far superior to what they were. This has been accomplished through the dedication of the fire departments and council providing adequate funding. The Municipality of Barrington is well known for its excellent fire service.

Keeping that in mind, there are still improvements that can be made. Capital planning and purchasing, specifically of gear and vehicles, is one example. For this reason, Council tasked Staff to review the capital purchasing process and recommend changes to improve financial sustainability and achieve stable rates. Several funding models have been explored, and several meetings have been held with fire department chiefs and treasurers to discuss various options which were then taken back to their respective fire departments for feedback. The chiefs and treasurers were chosen because of their knowledge of the financial and future needs of the departments. The group was used to share information with the thought being that those officers would be in the best position to take factual information back to their respective departments for feedback. A special meeting was also held with the WSHS Fire Department to try and address their concerns.

Since the outcome will have some level of impact on the fire departments, it was felt that having them involved in the process would help foster relationships as we work towards a sustainable plan with stable rates.

To better understand our current situation, here is a table summarizing each department.

Municipality of Barrington Fire Departments Information 2019				
Training Summary				
	BPLTFD	IBPFD	WHSHFD	Total
Trained to FF-I	22	25	25	72
Exterior	10	5	6	21
Some FF-I Training (New)	0	8	1	9
No FF-I Training Admin	4	4	2	10
Membership	36	42	34	112
62% of the firefighters in the Municipality are trained to Firefighter I				
18% of the firefighters are exterior trained firefighters				
9% of the firefighters in the Municipality are not formally trained (New)				
Vehicle Summary				
	BPLTFD	IBPFD	WHSHFD	Total
Vehicles	6	6	5	17
Future Vehicles	4	5	3	12
Financial Summary (2019/2020)				
	BPLTFD	IBPFD	WHSHFD	Total
Assesment	\$141,897,800	\$197,116,300	\$98,551,900	\$437,566,000
Rate Generated	\$181,634	\$246,395	\$191,191	\$619,220
Other Sources	\$68,500	\$53,743	\$10,291	\$132,534
Operating Cost	\$250,134	\$300,138	\$201,482	\$751,754
Call Summary (Jan. 2019 - Oct. 2019)				
	BPLTFD	IBPFD	WHSHFD	Total
Fire	18	13	10	41
Medical	6	6	86	98
MVA	11	12	3	26
Auto or Mutual Aid	6	9	12	27
Other	31	77	21	129
Total Calls	72	117	132	321

DISCUSSION

As mentioned, several funding models were explored and discussed. Here is a summary:

1. One rate for all department budgets.

This option would eliminate the three separate fire area rates and create a uniform municipal fire tax rate. Based on the current budgets, if the Municipality were to implement a uniform municipal fire tax rate for all fire departments, that rate would be 14.1 cents per \$100 of assessment.

2. One rate for existing loan payments and new trucks.

This option would keep the three separate fire area rates but would reduce each rate by the dollar value of a corresponding municipal tax rate for existing loan payments and the purchase of new trucks. Based on the current budgets, if the Municipality were to implement a municipal tax rate for all truck purchases, that rate would be 7.7 cents per \$100 of assessment.

3. One rate for existing loan payment and new trucks and gear.

This option would also keep the three separate fire area rates but would reduce each rate by the dollar value of a corresponding municipal tax rate for existing loan payments and the purchase of new trucks and gear. Based on the current budgets, if the Municipality were to implement a municipal tax rate for all truck and gear purchases, that rate would be 9.2 cents per \$100 of assessment.

After discussing these three options, all three were met with strong opposition from the fire departments. Some felt that the individual departments were better suited to make decisions on what type of trucks should be purchased rather than somebody else telling them what they could purchase, and others did not like the idea of their rates going up. For this reason, we worked on another option which would keep the decision-making authority with the departments but would set parameters to plan appropriately for these purchases.

4. A rate for capital equipment purchases based on the cost of 1 SCBA and 3 sets of turnout gear per year per department and set the fire area rates every 3-5 years rather than every year.

This option would implement a municipal *fire capital equipment rate* of 1.5 cents per \$100 of assessment which would translate into \$65,634.90 (\$21,878.30/department) per year for capital equipment purchases. The corresponding dollar value would be removed from each department's budget and the chart below shows what the rates would become if this rate was implemented.

In the past 3 years, departments have spent anywhere between \$15,000 and \$45,000 on capital purchases. Upon review of the historical financial information and the upcoming capital purchases, the Fire Services Coordinator believes that \$21,878.30 per department per year is an adequate amount of funding to maintain standards.

Impact of Implementing a <i>Fire Capital Equipment Rate</i>			
	BPLT	IBP	WHSB
Current Fire Area Rates	12.8	12.5	19.4
Municipal Fire Capital Equipment Rate	1.5	1.5	1.5
Corresponding Fire Area Rate Reduction	(1.5)	(1.1)	(2.2)
New Fire Area Rate	12.8	12.9	18.7

The funds collected from the rate would be intended for the purchase of SCBA and turnout gear, however, it could be invested for future capital equipment purchases under section 7.6 of the Fire Response and Emergency Services Policy (Policy #54). The assessment of the need to purchase gear would be made by the Fire Services Coordinated as he would have an up to date inventory of the equipment within each department and would have a clear understanding of their future purchases.

Structuring the rates this way and setting fire area rates every 3-5 years will allow the Municipality to ensure that the fire departments keep their gear up to standards and replace vehicles as loans are paid off. This option would also allow fire departments to build a capital reserve fund to be used for future capital purchases and make long term replacement planning easier for the departments. It would also put the onus on the fire departments to manage their finances in order to replace equipment in a more planned fashion.

To further explore this option, all three departments submitted a ten-year vehicle replacement plan which are attached. The replacement plan below, which indicates when loans are matured and the life expectancy of the trucks, was developed using the attached plans.

MUNICIPAL FIRE SERVICE FIRE VEHICLES 2019												
	Quint	Pumper	Tanker	Pump GPM	Tank Gal	Rescue	Utility	Passenger	loan payment	Loan Paid	20 year	Planned Rep
Trk #	Woods Harbour		Shag Harbour									
15		1996 Volvo		1050	1000						2016	2031
11		2016 Spar		1250	2500				\$45,000	2031	2036	2041
14						2012 Spar			\$34,000	2022	2032	2031
16								2006 Chev			2021	2023
23							2000 Ford				2020	N/R
									\$79,000			
	Island		Barrington		Passage							
37		2007 Int		1050	1000							N/R
36			2007 Int	420	3000						2027	2030
30						2007 Int					2027	2035
38								2018 Ford			2035	
34		1995 Int		420	1500						2015	2025
31		2015 Int		1250	1500				\$49,000	2025	2035	2035
3	2020 Rose			1250	400				\$85,000	2030	2040	2045
Compressor									\$21,000	2026		N/R
									\$155,000			
	Barrington		Port		Latour							
42		2001 GMC		1050	1000						2021	2026
43						2008 Ford					2028	2026
41			2019 Int	420	2500				\$24,000	2029	2039	
44		2003 Freig		1050	1000						2023	2029
45							2008 Chev				2023	
46		2008 Ken		1050	2500						2028	2036
Hall									\$80,000	2026		N/R
									\$104,000			
	Total Yearly Loan Payments								\$338,000			
	Department yearly loan total											
	Those highlighted in yellow are pumper tanker											
	Replaced with Rescue Pumper											
	Current cost of Rescue Pumper: Commercial Chassis \$450,000 Custom Chassis \$650,000											
	Current cost of a Tanker: \$360,000											
TRUCK REPLACEMENT SCHEDULE												
YEAR	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
DEPT.				WHSH		IBP	BPLT			BPLT	IBP	WHSH
TRUCK TYPE				Passenger Van		Tanker	Rescue Pumper			Pumper	Tanker	Rescue pumper

This plan also incorporates replacing rescue trucks and pumper trucks with a rescue pumper truck and not replacing some vehicles. **This will allow the fleet to be reduced from 17 to 12 vehicles.**

Although this option did not please all the departments, it appeared to be the best received of the explored options.

5. Keep the fire department rates as they currently are.

This option represents the status quo. It would maintain the onus on the fire departments to their funding to keep their equipment and trucks up to standards but there would be no parameters put in place to improve financial sustainability and achieve stable rates. The Municipality could, however, mandate that a percentage of each fire department's budget must be earmarked for capital purchases or limit the amount of loans for truck purchases each department can have.

BUDGET IMPLICATIONS

Budget implications vary depending on which option is chosen. Options 4 and 5 would have the smallest impact on the area rates but in either option, a clear understanding of where the revenue from offsetting funding (i.e. the Emergency Services Provider Fund, the sale of a vehicle and HST rebate from the purchase of capital equipment) would be posted. For example, if a fire department was to purchase a truck, would the revenue from the HST rebate be incorporated in the departments operating budget, would it need to be applied to the purchase of the truck or could it be held in reserve for the next capital equipment purchase?

Finally, by locking the rates for a fixed number of years the only impact on the taxpayer would be changes in assessment. This would then remove the uncertainty factor for municipal budgeting and make the process more efficient.

LEGAL IMPLICATIONS

N/A

PUBLIC CONSULTATION/COMMUNICATIONS

As mentioned on numerous occasions above, the consultation has been primarily with the group of chiefs and treasurers. We have, however, met with the WSHS fire department individually to discuss our intentions and hear their feedback.

RECOMMENDATION

As this staff report is provided to you as an update to our process and to get feedback, there is no recommendation.

That being said, it should be noted that the fire departments have done a good job managing their funding and keeping the equipment up to standard thus far. We have, in the past 2 years, purchased new vehicles but this has been in correlation with their truck replacement plans and purchases will not happen every year. At this time, we would not recommend imposing a design/type or dollar limit on the purchase of new equipment and trucks.

SUGGESTED MOTION

N/A

ATTACHMENTS

1. Fire Department submitted 10-year truck replacement plans.
2. Fire service rates from other municipalities.

IBPFD

Truck Replacement Plan:

Current fleet:

#34-- 1995 tanker-1500gallon
already past the 20 year ULC rating period. We would nurse this tanker for 6 more years until #31 is paid for and then replace it in 2024.

#36-- 2007 tanker 3000 gallon
would be due for replacement in 2027. We would replace it in 2029 when the quint is paid for

#37 would be sold or traded towards the cost of the quint. \$100K - \$125K

#30--2007 heavy Rescue and #31--2014 pumper tanker would be due for replacement in 2034 and could be replaced in 2034 with a rescue pumper.

This replacement plan would be achievable with the proposed rate of 15.3 cents in place and it would space out the truck replacement to a manageable time frame.

BPLT

BARRINGTON/PORT LATOUR VOL. FIRE DEPT.

10 YEAR CAPITAL PLAN (EQUIPMENT PROJECTIONS)

BASED ON CURRENT TAX RATE FOR 2019/20

EQUIPMENT	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
CURRENT TRUCK LOAN	\$ 28,247.97	\$ 27,543.96	\$ 26,839.85	\$ 26,135.97	\$ 25,431.96	\$ 24,727.97	\$ 24,023.98	\$ 23,319.97	\$ 22,615.97	\$ 9,215.66 L/P AUG. 1/19
CURRENT HALL LOAD	\$ 78,840.22	\$ 77,543.22	\$ 76,108.32	\$ 74,523.58	\$ 72,792.64	\$ 70,940.66	\$ 68,994.50 L/P MAY 16/16			
LOANS TOTAL	\$ 107,088.19	\$ 105,087.18	\$ 102,948.17	\$ 100,659.55	\$ 98,224.60	\$ 95,668.63	\$ 93,018.48	\$ 23,319.97	\$ 22,615.97	\$ 9,215.66
TRUCK REQUIREMENTS	2022/23 2 FRONT LINE TRUCKS GO OUT OF COMMISSION						NEW TRUCK TO REPLACE 1 POSSIBLY 2 TRUCK			
TURN OUT GEAR	3 SETS		3 SETS		3 SETS		3 SETS		3 SETS	
B/A'S		2 SETS		2 SETS		2 SETS		2 SETS		2 SETS
PAGERS / RADIOS										
JAWS			1 (USED F/F FUND)							

WHSH

TO: Fire Coordinator of Municipality of Barrington
FROM: Woods Harbour Shag Harbour Volunteer Fire Department
DATE: September 9, 2019
RE: Truck Replacement Plan Proposal

1. Finish paying loan on Rescue 14.
2. Keep same amount of funding to go towards loan payments on Engine 11, OR
3. Replace passenger van.
4. Continue same funding until loan on Engine 11 is paid in full.

Ricky Bonds Treasurer

Comparable Municipal Fire Rates

District of Lunenburg

Big Tancook Island ERA	0.10
Blockhouse FD	0.143
Clearland Fire Protection (MAB)	0.11
Conquerall Bank FD	0.15
Cornwall and District FD	0.10
Dayspring & District Fire Protection	0.15
District 1 and 2 Fire Commission	0.065
Hebbs Cross FD	0.15
Hebbville FD	0.113
Hemford & District FD	0.15
Indian Point FD	0.10
Italy Cross/Middlewood FD	0.12
Lahave FD	0.11
Lapland and District FD	0.12
Mader's Cove Fire Protection (MAB)	0.10
Martins River FD	0.17
Midville and District FD	0.17
New Germany Volunteer FD	0.15
Northfield and District FD	0.14
Oakhill and District FD	0.17
Oakland Fire Protection (MAB)	0.11
Petite Riviere FD	0.19
Pleasantville and District FD	0.13
Riverport FD	0.12
Tri District Fire/Rescue	0.15
United Communities FD	0.12
Walden FD	0.15
Wileville FD	0.11
Avg.	0.131

District of Chester

Blandford	0.13
Hubbards	0.105
Mill Cove Hydrants	0.28
Chester Basin	0.11
Western Shore	0.16
Martins River	0.20

New Ross	0.17
Outside Area	0.074
Islands (Fireboat)	0.071
Avg.	0.14

District of Yarmouth

Carleton Fire Department	0.11
Port Maitland Fire Department	0.14
Yarmouth Fire Department	0.16
Lakes & District Fire Department	0.17
Lake Vaughan Fire Department	0.15
Valley & District Fire Department	0.08
Kemptville Fire Department	0.11
Avg.	0.13

District of Argyle

West Pubnico, Pubnico Head, Lr. Argyle	0.07
Wedgeport and District	0.07
SAR/Eel Brook	0.125
East Pubnico	0.050
East Kemptville	0.030
Quinan and District	0.10
Lake Vaughan	0.050
Islands and District	0.07
Avg.	0.07
	+ 0.08 (from their general rate)
	0.15