



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
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 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 Bando 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