

Minutes of the Finance & Audit Committee Special Meeting Salt Spring Island Fire Protection District

Meeting held: **August 11, 2016**
Training Room, Ganges Fire Hall

In attendance:

Committee Members: Trustee Norbert Schlenker (Chair), Alix Granger, Robert Jones, Julia Lucich

Regrets: Trustee Michael Craig

Staff Members: Acting Chief Arjuna George, Corporate Administrator and Financial Officer Andrew Peat

These minutes follow the order of the agenda although the sequence may have varied.

The meeting was called to order at 2:03 p.m.

1. Approval of Agenda

A proposed agenda was circulated to members prior to the meeting.

By general consent, the agenda was adopted.

2. 2017 Budget deliberations

The 2017 Budget Worksheet Version No. 3 dated August 3, 2016 was presented together with a report from Acting Chief George (AC George). The following items were noted:

- Budget Line # 34 Clothing Career – AC George advised that he has reviewed prior years' expenses he is in agreement with the Committee's recommendation of \$7,000.
- Budget Line # 35 Clothing Paid on Call – AC George advised that he has reviewed prior years' expenses and recommends a budget of \$12,225 – providing clothing allotment to 6 recruits and dress uniforms to five members. After deliberation, it is the consensus of the Committee that the 2017 budgeted expense be set at \$10,000.
- Budget Line # 38 Employee/POC Recognition – AC George advised that he has reviewed prior years' expenses and recommends a budget of \$3,800. It is the consensus of the Committee that the 2017 budgeted expense be \$5,000.
- Budget Line # 41 Fire Department Record System – AC George is in agreement with the Committee's recommendation of \$3,500.
- Budget Line # 47 First Responder – AC George advised that he is in agreement with the Committee's recommendation of \$10,000.
- Budget Line # 53 Radio Equipment Repair and Supplies – AC George advised he is in agreement with the Committee's recommendation of \$5,500. In the discussion it was mentioned by Committee Member Lucich that in view of the substantial increase in cost anticipated with the

introduction of the new CREST system in 2018, how and to whom handheld radios are issued should be reviewed. Changed that don't compromise member safety and the District's "communications capabilities" should be implemented if practical.

- Budget Line # 54 SCBA – AC George reported that yearly inspection and maintenance alone for SCBA units is \$5,101 with any repairs or parts in addition to this amount. AC George recommended a SCBA budget of \$11,000. It is the consensus of the Committee that the 2017 budgeted expense be \$11,000.
- Budget Line # 21 Freight/postage – AC George commented that freight expense would have to be increased if outside parties are contracted to wash/repair PPE clothing. Committee Chair Schlenker commented that there is a recommendation from the Facilities & Physical Plant Committee to purchase an extraction washer and perform this function "in house". It is the consensus of the Committee that the 2017 budgeted expense remain at \$4,000.
- Budget Line # 36 Clothing Protective – AC George reported that no sets of PPE clothing are scheduled for replacement in 2017 but he recommended a budget of \$15,000 in view of the number of sets that will need replacement in 2017 (2 sets) and 2018 (14 sets). The clothing has a maximum 10 year service life starting from the date of purchase. Committee Member Lucich commented that unless additional sets are needed it makes no financial sense to purchase PPE clothing in advance of need as service life begins at the date of purchase not when items are put into use. AC George asked that the budget line include an amount to cover small purchases of PPE gear (gloves and helmets etc). It is the consensus of the Committee that the 2017 budgeted expense be \$4,000.
- Budget Line # 19 Dues & Subscriptions – It is the consensus of the Committee that the 2017 budgeted expense be reduced \$2,500. There was discussion about where to expense software licenses and like fees and it was the consensus of the meeting that these should be charged to "Licenses, Fees & Rentals".
- Budget Line # 24 Licenses Fees & Rentals – CAO Peat reported that the license for the new scheduling software will be \$2,200 per year. AC George commented that he and Assistant Chief Holmes will investigate whether it is practical to use this platform for training purposes (a potential savings in the Training budget of \$5,000). It is the consensus of the Committee that the 2017 budgeted expense be increased to \$7,000.
- Budget Line # 65 Consulting Fees – It is the consensus of the Committee that the 2017 budgeted expense remain at \$60,000 with the amount to be reviewed by the Board. CAO Peat reported that the Master Fire Service Plan is funded in the 2016 budget. Committee Chair Schlenker commented that consulting services will likely be utilized to, again, kick-start the new fire hall project. A question was asked whether the District has any ownership rights to plans for a "new fire hall" developed by Johnston Davidson Architecture & Planning Inc. in 2013.
- Budget Line # 67 Legal – CAO Peat commented that 2016 budgeted amount includes the anticipated cost of a professional labour negotiator to assist in collective agreement negotiations between the District and IAFF Local #4467. It is the consensus of the Committee that the 2017 budgeted

expense be reduced to \$25,000 with this amount to be reviewed by the Board.

- Budget Line # 95 Small Capital – CAO Peat reported that the District’s IT contractor has recommended replacing/upgrading computer hardware as nearly all units are at least five years old. AC George reported that Facilities & Physical Plant Committee is investigating the feasibility and practicality of putting a pond on the Fulford Fire Hall site to store water for emergency fire flow purposes. It is the consensus of the Committee that the 2017 budgeted expense be reduced to \$25,000 with the amount to be reviewed by the F&PP Committee.
- Budget Line # 89 Extraordinary Expense/Contingency Reserve – Committee Chair Schlenker commented that in 2016 the budget was set at 1% of Total Expenses (\$26,000) plus a \$17,000 contingency for hydrant maintenance. It is the consensus of the Committee that the 2017 budgeted expense be reduced to \$25,000 with hydrant maintenance budgeted separately.
- Budget Line # 49 Hydrant Install/Repair – Committee Chair Schlenker reported that contract negotiations are being held with North Salt Spring Waterworks regarding responsibility for hydrant maintenance. It is the consensus of the Committee that the 2017 budgeted expense be set at \$10,000.

Committee members discussed the desirability of budgeting funds for transfer to the District’s *Capital Works, Renewal Replacement Reserve Fund*. Committee Chair Schlenker commented that, apart from the 2016 the new water tender, the District’s past practice has been to borrow funds to purchase major equipment with the loan amortized over the useful life of the vehicle. Ratepayers who “receive the benefit” pay for the asset through their tax assessment. Committee Member Lucich commented that as major equipment expenses at least can be “anticipated”, the Board has a fiduciary duty to set aside funds. There was discussion about what would be an appropriate amount.

Motion that the recommended 2017 Operating budget include a \$100,000 transfer to the *Capital Works, Renewal Reserve Fund* moved by Committee Member Lucich.

CARRIED

A new Budget Line #95A Transfer to CWRRF was added with an amount of \$100,000.

3. In-camera Session

Motion to move to an In-camera session to discuss member Wages & Benefits expenses line details moved by Committee Chair Schlenker.

CARRIED

The meeting moved to an in camera session at 2:55 p.m. and reconvened at 3:12 p.m.

4. Rise and Report

Budget Line #74 SSIFR Firemen's Association Stipend – It is the consensus of the Committee that the 2017 budgeted expense increased to \$298,300 adjusting for anticipated costs of backfilling career positions.

Budget Line #80 Group Life, AD&D & WCB – It is the consensus of the Committee that the 2017 budgeted expense be increased to \$34,500 to properly allocated of the cost of VFIS premiums for paid-on-call members' insurance benefits.

A new Budget Line #84A POC Matching RRSP – be added to track the cost of the benefit already approved by the Board. It is the consensus of the Committee that the 2017 budgeted expense be \$18,000.

Motion that it is the recommendation of the Finance & Audit Committee that the tentative 2017 Operating Budget agreed upon by the Committee be presented to the Board at their next meeting moved by Committee Chair Schlenker.

CARRIED

Budgeted Revenue is \$2,658,000 (2016 \$2,540,500) including a tax requisition in the amount of \$2,650,000 (2016 \$2,525,000); Total Expenses \$2,541,250 (2016 \$2,659,096); Capital Expenses funded by Operating Fund \$25,000 (2016 \$30,000); Transfer to CWRRF \$100,000 (2016 \$0); Operating Fund Cash flow Deficit \$8,250 (2016 Deficit \$148,596).

5. Next Meeting

The regular meeting scheduled for September is cancelled. The next regular meeting of the Finance & Audit Committee is scheduled on October 5, 2016, 2:00 p.m., at the Ganges Fire Hall Meeting Room.

6. Adjournment

There being no further business, **motion** to adjourn moved by Committee Chair Schlenker.

CARRIED

The meeting adjourned at 3:36 p.m.

Norbert Schlenker
Committee Chair

Andrew Peat
Corporate Administrator