

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

Meeting held: July 24, 2017
Training Room, Ganges Fire Hall

In attendance:

Committee Members: Trustee Howard Baker, Trustee Rollie Cook

Regrets: Trustee Howard Holzapfel

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

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

CAO Peat called the meeting to order at 2:07 p.m.

1. Election of Committee Chair

CAO Peat called for nominations for the position of Chair of the Finance & Audit Committee. No nominations were received. In the absence of a permanent committee chair, CAO Peat then asked for nominations for the position of Acting Chair.

Committee Member Cook nominated Trustee Howard Baker. As there were no further nominations, Trustee Baker was declared Acting Chair by acclamation.

2. Approval of Agenda

A proposed agenda was circulated prior to the meeting.

By general consent the agenda was accepted as circulated.

3. 2018 Operating Budget Deliberations

The 2017 Budget Worksheet Version No. 3 dated July 10, 2017 was circulated.
(Copy is attached to the original minutes.)

Chief George circulated his report – Operation Budget, Budget Narrative 2018.
(Copy attached to the original minutes.)

There was discussion and the Committee agreed that the 2018 Operating Budget include:

- Budget Line # 4 – Interest General be \$ 8,000. CAO Peat said that interest income of \$12,409.91 recorded on the 2016 financial statements, includes interest earned on the Capital Works Renewal Reserve Fund (CWRRF) accounts at Island Savings Credit Union (\$3,436.02). Monies in CWRRF accounts are not available to fund general operating expenses.

Operating Expenses

- Budget Line # 34 – Clothing Career be \$7,000.
- Budget Line # 35 – Clothing Paid-on-Call be \$10,000. Chief George proposed \$12,225 but it was the consensus of the Committee that it is unlikely that there will be 6 recruits in 2018 and the amount was reduced.
- Budget Line # 36 – Clothing Protective be \$24,000. Chief George reported that no sets of personal protective equipment (PPE) are being replaced in 2017. PPE clothing is required to be replaced every ten years and nineteen sets “expire” in 2019. It was the consensus of the Committee that the cost of replacing eight sets (8 x \$2,500) be included in the 2018 budget amounts.
- Budget Line # 37 – Computer Hardware, Software & Supplies be \$2,500.
- Budget Line # 38 – Employee/POC Recognition be \$5,000.
- Budget Line # 39 – Equipment Purchase Small Tools be \$8,000.
- Budget Line # 40 – Equipment Repair & Maintenance be \$6,500.
- Budget Line # 41 – Fire Department Record System be \$3,500. Chief George reported that this is an annual software licencing fee (Fire Department Manager).
- Budget Line # 42 – Fire Fighter Employee Assistance Plan be \$3,000. Chief George reported that with the new policy there is more awareness of the benefit by members and a greater utilization.
- Budget Line # 44 – Fire Prevention & Public Education be \$6,500. Chief George asked that the budget be increased \$1,500 to fund FireSmart education in the community. Matching grants for FireSmart initiatives may be available from the Capital Regional District (Community Wildfire Protection Plan).
- Budget Line # 45 – Fire Station Repair & Maintenance be \$12,500. It was the consensus of the Committee that major projects (Ganges Fire Hall No. 1 ventilation and Fire Hall No. 3 roof) be considered under Line 96 – Small Capital.
- Budget Line # 46 – Fire Station Utilities be \$26,000.
- Budget Line # 47 – First Responder be \$10,000.
- Budget Line # 48 – Foam be \$3,000.
- Budget Line # 49 – Hydrant Install/Repair be \$9,000. Chief George reported that discussions with North Salt Spring Waterworks District regarding responsibility for hydrant maintenance are ongoing.
- Budget Line # 50 – Landscaping be \$5,000. It was the consensus of the Committee that the contractor and Chief George review and agree upon a reduced scope of work to be accomplished within the proposed reduced budget..
- Budget Line # 53 – Radio Equipment Repair & Supplies be \$2,000. In the discussion, Chief George reported that radio sets required for the new CREST digital communications upgrade will be funded by the Capital Regional District with the District responsible for purchasing pagers and installation of mobile units is apparatus. It was the consensus of the Committee that purchase of pagers be included in the 2018 and 2019 Budget Line # 96 - Small Capital.
- Budget Line # 54 – SCBA be \$11,000.
- Budget Line # 55 – Supplies & Sundry be \$7,000.
- Budget Line #56 – Training be \$70,000. Chief George reported that previous Boards had restricted this budget line to Paid-on-Call members with career

members training being charged to Budget Line # 27 – Professional Development Career Staff. After discussion, it was that consensus of the Committee that training for all members (POC and Career) recommended by the Assistant Fire Chief and approved by the Chief be expensed to Budget Line # 56 with the line descriptor changed to read “Training”. Budget Line #27 Professional Development Career Staff to be reduced.

- Budget Line # 58 Vehicle Operating be \$90,000.

Total Operating Expenses - \$321,500.

- Budget Line # 27 – Professional Development Excluded Staff be \$5,000. The budget line was reconsidered in light of the decision to expense POC and Career members’ Training to Budget Line #56 Training. It was consensus of the Committee that the line descriptor be changed to Professional Development Excluded Staff.
- Budget Line # 90 – Extraordinary Expense/Contingency Reserve be \$50,000. CAO Peat reported that it has been the recent practise of the Committee to set the operating budget at a level which anticipates “normal” expenses, but included a contingency reserve to cover the unexpected. In 2017 the Contingency Reserve was \$50,000 – approximately 2% of total operating expenses.

4. Consideration of Fire Hall Renewal Reserve Fund

Committee Member Cook asked that the Committee consider the desirability at end of each fiscal year to transfer surplus operating fund cash balances into a new reserve account specifically for the new fire hall. CAO Peat reported that at the Board’s discretion the existing Capital Works Renewal Reserve Fund can be used to fund replacement equipment, apparatus and/or buildings. Committee Member Cook expressed his belief that a stated policy to dedicate “surplus” operating funds for the new fire hall would be endorsed by members and the District’s electorate.

Motion that it is the recommendation of the Finance & Audit Committee that the Board of Trustees will as a matter of policy after the end of each fiscal year transfer “excess” cash balances remaining in Operating Fund accounts to a new reserve account specifically designated to be used for a replacement for Fire Hall No. 1 moved by Committee Member Cook.

CARRIED

5. Next Meeting

The next meeting of the Finance & Audit Committee to complete 2018 Operating Budget deliberations is scheduled on July 31, 2017 at 2:00 p.m., at the Training Room Ganges Fire Hall.

5. Adjournment

There being no further business, **motion** to adjourn moved by Acting Committee Chair Baker.
CARRIED

The meeting adjourned at 4:17 p.m.

Committee Chair

Andrew Peat
Corporate Administrator

DRAFT