

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

Meeting held: July 31, 2017
Training Room, Ganges Fire Hall

In attendance:

Committee Members: Trustee Howard Baker, Trustee Rollie Cook, Trustee Howard Holzapfel

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

Others present: 1 member of the public

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

1. Call to Order

CAO Peat called the meeting to order at 2:03 p.m.

2. Election of Committee Chair

CAO Peat called for nominations for the position of Chair of the Finance & Audit Committee. Committee Member Holzapfel was nominated by Committee Member Baker. As there were no other nominations, Trustee Howard Holzapfel was declared elected Chair by acclamation.

3. Approval of Agenda

A proposed agenda was circulated prior to the meeting.

Motion to approve the agenda as circulated moved by Committee Member Cook.
CARRIED

4. 2018 Operating Budget Deliberations

The 2017 Budget Worksheet Version No. 4 dated July 24, 2017 was circulated. (Copy is attached to the original minutes.) CAO Peat commented that as at June 30, 2017 operating fund net working capital was some \$251,828 which in his opinion is the minimum necessary to fund operations (\$150,000 working capital) and to pay for anticipated expenses “pre-funded” from prior year’s tax requisitions (\$105,000 for labour negotiations, consultants’ fees and water storage for fire flow purposes).

CAO Peat reported that the cost of the new tender has been paid from Operating Fund cash balances with no monies transferred from the Capital Works Renewal Reserve Fund (CWRRF). Bylaw No. 131 “2016 Capital Works Renewal Reserve Fund Disbursement Bylaw” authorized a transfer of \$339,000. In the discussion

Committee Member Cook commented that as far as possible CWRRF monies should be kept as the “down payment” for a new fire hall.

Chief George circulated his report – Project Budget 2018. (Copy attached to the original minutes.) CAO Peat circulated correspondence from Alex Hasenfratz – IT Budget 2018. (Copy attached to the original minutes.)

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

- As part of Budget Line # 96 – Small Capital, \$30,000 for two dry hydrant/cistern installations. It was the consensus of Committee members that improving water supply availability is a priority project to be completed before FUS re-certification in 2020. CAO Peat commented that the cost of one installation (\$15,000) has been “pre-funded” from prior year’s tax requisitions.
- Chief George’s proposal to acquire a UAV (drone) as a tool for emergency services was discussed. The estimated \$8,000 cost is an “entry level” drone with technical support and training provided by a local company – Indro Robotics. Chief George reported that two paid-on-call members are completing their Transport Canada certification. There was discussion about how this technology might assist firefighter safety and situational awareness at incidents.

Motion that it is the recommendation of the Finance and Audit Committee that Chief George make a business case to the Committee for acquiring UAV capabilities and if approved by the Board of Trustees to be funded from surplus 2017 provincial State of Emergency revenue moved by Committee Member Baker.

CARRIED

- As part of Budget Line # 96 – Small Capital, \$4,000 to replace four desktop computers.
- As part of Budget Line # 96 – Small Capital, \$10,000 for replacement pagers necessary because of new CREST digital communication systems. Total cost of new pagers for all members is estimated to be \$25,000 and will be purchased over several years

Total Budget Line # 96 – Small Capital \$44,000.

Committee Members revisited several budget lines and agreed to the following changes:

- Budget Line # 50 – Landscaping be \$6,600 (changed from \$5,000). Chief George was asked to review the scope of work with the contractor for possible economies.
- Budget Line # 57 – Training be \$60,000 (changed from \$70,000). Prior year’s Training has been materially below budget in part because more courses are being offered “in house” instead of through third parties.
- Budget Line # 65 – Consulting Fees be \$15,000 (changed from \$40,000). The reduced amount proposed in view of the reduced scope of work for the Master Fire Plan recommended by Strategic Planning & Policy Development Committee.

- Budget Line # 90 – Extraordinary Expenses/Contingency Reserve be \$30,000 (changed from \$50,000). After discussion, it was the consensus of Committee members that 2017 unanticipated revenue from assistance offered during the provincial “State of Emergency” could be available to cover unexpected expenses next year.

Total Budget Line # 92 – Expenses \$2,556,100.

There was discussion about the tax requisition to fund operations - \$2,525,000 in 2016 and \$2,475,000 in 2017. CAO Peat reminded the Committee that a “deficit” operating budget is manageable as some expenses (part of Budget Line #67A - Labour Negotiations and Budget Line # 96 - Small Capital) were “funded” in prior years.

Motion that Budget Line # 10 Tax Revenue be \$2,527,000 moved by Committee Member Cook.
CARRIED

The Finance & Audit Committee recommends to the Board of Trustees that for 2018 the Operating Budget be: Total Income of \$2,535,000 and Total Expenses of \$2,556,100 for a deficit of -\$21,100 before Capital Expenses funded from Operating Funds of \$44,000. An Operating Fund budget deficit of -\$65,100 is proposed after Small Capital Expenses.

Committee members discussed the desirability of increasing Tax Revenue to transfer operating monies to a reserve account specifically to fund a new fire hall, \$50,000 was suggested as an appropriate amount.

Motion that it is the recommendation of the Finance & Audit Committee that the Board of Trustees considered the desirability of amending the proposed 2018 Operating Budget, increasing tax revenue to fund a \$50,000 transfer to reserves specifically for a new fire hall moved by Committee Member Cook.
CARRIED

5. **Adjournment.**

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

The meeting adjourned at 4:10 p.m.

Howard Holzapfel
Committee Chair

Andrew Peat
Corporate Administrator