

Salt Spring Island Fire Protection District

Bylaw No. 145

**A Bylaw for levying taxes on the land and improvements within the
Salt Spring Island Fire Protection District for fire protection purposes.**

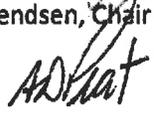
The Trustees of the Salt Spring Island Fire Protection District in open meeting assembled, ENACT AS FOLLOWS:

1. The sum of four million two hundred fifty-five thousand, (\$4,255,000.00) dollars is required by the Improvement District for fire protection purposes in the year 2022.
2. A tax at a rate determined to be necessary to raise the aforesaid sum is hereby levied for the year 2022 on all land and improvements as defined in the School Act, within the Improvement District in accordance with section 711 of the Local Government Act.
3. The said taxes shall be due and payable as provided in the Taxation (Rural Area) Act and if delinquent shall bear interest at the rate set out under the Taxation (Rural Area) Act until paid or recovered.
4. This bylaw may be cited as the "Fire Protection Taxation Bylaw 2022".

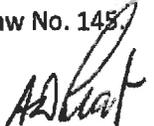
INTRODUCED and given first reading by the Trustees on 20th day of September 2021.

RECONSIDERED and finally passed by the Trustees on the 18th day of October 2021.


Per Svendsen, Chair of the Trustees


Andrew Peat, Corporate Administrator for the Trustees

I hereby certify under the seal of the Salt Spring island fire Protection District that this a true copy of Bylaw No. 145


Andrew Peat, Corporate Administrator for the Trustees.

A true copy of Bylaw # 145
registered in the office of
Inspector of Municipalities this
23 day of Nov 2021


Deputy Inspector of
Municipalities

Salt Spring Island Fire Protection District

Bylaw No. 145

**A Bylaw for levying taxes on the land and improvements within the
Salt Spring Island Fire Protection District for fire protection purposes.**

The Trustees of the Salt Spring Island Fire Protection District in open meeting assembled, ENACT AS FOLLOWS:

1. The sum of four million two hundred fifty-five thousand, (\$4,255,000.00) dollars is required by the Improvement District for fire protection purposes in the year 2022.
2. A tax at a rate determined to be necessary to raise the aforesaid sum is hereby levied for the year 2022 on all land and improvements as defined in the School Act, within the Improvement District in accordance with section 711 of the Local Government Act.
3. The said taxes shall be due and payable as provided in the Taxation (Rural Area) Act and if delinquent shall bear interest at the rate set out under the Taxation (Rural Area) Act until paid or recovered.
4. This bylaw may be cited as the "Fire Protection Taxation Bylaw 2022".

INTRODUCED and given first reading by the Trustees on 20th day of September 2021.

RECONSIDERED and finally passed by the Trustees on the 18th day of October 2021.

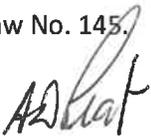


Per Svendsen, Chair of the Trustees



Andrew Peat, Corporate Administrator for the Trustees

I hereby certify under the seal of the Salt Spring island fire Protection District that this a true copy of Bylaw No. 145.



Andrew Peat, Corporate Administrator for the Trustees.



Salt Spring Island Fire Rescue
105 Lower Ganges Road
Salt Spring Island, B.C.
PH: 250-537-2531
FAX: 250-537-2507

26 October 2021

Ministry of Municipal Affairs and Housing
PO Box 9838
Station Provincial Government
800 Johnson Street,
Victoria
BC V8W 9T1
Attention: Joshua Craig, Financial Analyst

Dear Sir

Re: Salt Spring Island Fire Protection District
Bylaw No. 145 Fire Protection Taxation Bylaw 2022

Please find enclosed is a copy of the 2022 Operating Fund Budget approved by the Board of Trustees at their October 18, 2021 meeting together with two copies of the Bylaw No. 145 "Fire Protection Taxation Bylaw 2022". After first reading of the 2022 Taxation Bylaw in September, a Town Hall session was held on October 14, 2021 to solicit public comment on the proposed 2022 Budget. Copies of the September 13, 2021 Staff Report and brochure available at this meeting and on our website are included for your information.

The approved 2022 Operating Fund Budget has Tax Revenue (Budget Line # 8) of \$4,255,000 an increase of some 11.09% compared with 2021. The 2021 Operating Fund Budget has Total Expenses (Budget Line # 94) increasing 7.65% compared with 2021 Operating Fund Budget. Proposed 2022 Total Administration Expenses (Budget Line # 26) and Total Operating Expenses (Budget Line # 56) are increased only a nominal amount compared with 2021 Budget figures. Total Trustee Expenses (Budget Line # 70) are decreased \$110,000 because of lower expenses related to the New Fire Hall

(Budget Line # 67- 69) imitative, though it should be noted that in both 2021 and 2022 New Fire Hall related expenses are “paid” by an offsetting transfer from Reserve Funds (Budget Line # 108) and not general Tax Revenue.

The 2021 Budget was prepared without knowing the details of the Interest Arbitration Award that settled outstanding collective bargaining matters for IAFF employees. The award has allowed the Fire Department to transition to a 24/7 staffing model, but potential savings were more than offset by mandated officer promotions, new hires, and higher costs to backfill for vacation and sick relief. The approved budget also funded the Deputy Chief position which has been vacant since 2017. Increased Total Wages & Benefits (Budget Line #90) of \$406,050 is offset in part by a one-time transfer of \$150,000 from Payroll Reserve Funds (Budget Line # 110).

Since 2018 the Board has been committed to properly planning for future capital expenses by transferring funds to separate reserve accounts for apparatus purchases, improve water supply, satellite fire hall remediation, and to provide a “down payment” for the New Fire Hall No. 1. Proposed 2022 Total Capital Expenses & Transfers to/from Reserve Funds (Budget Line # 111) is \$812,125 an increase of \$169,125.

In 2022, Transfer to Reserve Fund for Apparatus (Budget Line #102) increased by \$48,000 to \$258,000 which is approximately equal to the decreased debt servicing costs – the last outstanding loan matured on July 1, 2021. The District has adopted a policy of internally funding replacements of major apparatus from reserve funds set aside for that purpose.

The District is continuing to move forward with the New Fire Hall Project to replace existing facilities in the Ganges core, with plans made to go to referendum on the matter in 2022. To provide a meaningful down payment for the proposed New Fire Hall, the Board reduced the transfer to reserves for unspecified capital purposes (Budget Line # 104) and increased funding to the New Fire Hall reserve (Budget Line # 103). If the referendum vote to approve funding for the new Fire Hall succeeds, the New Fire Hall reserve fund appropriation would be in future be used for debt servicing.

As you have done in previous years, the District requests an advance on 2022 Tax Revenue of \$2,000,000 to be deposited to our account January 2, 2022.

Yours truly,



Andrew D. Peat

Acting Corporate Administrator

Salt Spring Island Fire Protection District



24 August 2021

Dear Trustee or Administrator:

Re: 2022 Fire Protection and/or Street Lighting Operating Tax Advances

An Improvement District that provides fire protection and/or street lighting services may have the Provincial Assessor and Collector levy and collect the annual operating costs on their behalf for 2022. If the trustees wish to use this service, the information indicated below should now be submitted.

To complete our review and forward the request for funds to the Provincial Assessor and Collector prior to November 30, 2021 {section 711 of the *Local Government Act*}, the information must be received **by email to LGIF@gov.bc.ca** by October 31, 2021.

1. Prepare a detailed budget to support the amount required for the year 2022 for each of the fire protection and/or street lighting functions. The budget(s) should be similar in style to the Revenue and Expenditure Statement prepared by the District's auditor (please round off the figures to the nearest dollar). **Any major changes from the previous year's budget (categorically and/or overall) must be explained.**
2. The attached template bylaw must be completed and adopted by the trustees. **Email a separate scan of the adopted and signed bylaw and a second scan of the supporting information to LGIF@gov.bc.ca** by October 31, 2021. This bylaw should authorize the amount needed for operations in 2022, net of other sources of revenue for that purpose. If the district has borrowed for capital acquisition from the Province, the annual debt servicing amount for that debt need not be included in the operations amount. Annual recovery of the debt servicing cost was authorized by the original debt authorization bylaw.
3. **The funds will be forwarded on July 2, 2022, unless you specifically request earlier dispersal.** Interest will be charged on amounts required prior to July 2. If the District wishes to receive funds earlier than July, they must be received between January 2 and April 1, 2022. Please state the amounts and dates desired prominently as a note on the budget.

If there are any questions, please contact me and I will forward your question to the Financial Analyst for your improvement district.

Joshua Craig

Joshua Craig, CPA
Financial Analyst



Salt Spring Island Fire Rescue
105 Lower Ganges Road
Salt Spring Island, B.C.
PH: 250-537-2531
FAX: 250-537-2507

26 October 2021

Ministry of Municipal Affairs and Housing
PO Box 9838
Station Provincial Government
800 Johnson Street,
Victoria
BC V8W 9T1
Attention: Joshua Craig, Financial Analyst

Dear Sir

Re: Salt Spring Island Fire Protection District
Bylaw No. 145 Fire Protection Taxation Bylaw 2022

Please find enclosed is a copy of the 2022 Operating Fund Budget approved by the Board of Trustees at their October 18, 2021 meeting together with two copies of the Bylaw No. 145 "Fire Protection Taxation Bylaw 2022". After first reading of the 2022 Taxation Bylaw in September, a Town Hall session was held on October 14, 2021 to solicit public comment on the proposed 2022 Budget. Copies of the September 13, 2021 Staff Report and brochure available at this meeting and on our website are included for your information.

The approved 2022 Operating Fund Budget has Tax Revenue (Budget Line # 8) of \$4,255,000 an increase of some 11.09% compared with 2021. The 2021 Operating Fund Budget has Total Expenses (Budget Line # 94) increasing 7.65% compared with 2021 Operating Fund Budget. Proposed 2022 Total Administration Expenses (Budget Line # 26) and Total Operating Expenses (Budget Line # 56) are increased only a nominal amount compared with 2021 Budget figures. Total Trustee Expenses (Budget Line # 70) are decreased \$110,000 because of lower expenses related to the New Fire Hall

(Budget Line # 67- 69) imitative, though it should be noted that in both 2021 and 2022 New Fire Hall related expenses are “paid” by an offsetting transfer from Reserve Funds (Budget Line # 108) and not general Tax Revenue.

The 2021 Budget was prepared without knowing the details of the Interest Arbitration Award that settled outstanding collective bargaining matters for IAFF employees. The award has allowed the Fire Department to transition to a 24/7 staffing model, but potential savings were more than offset by mandated officer promotions, new hires, and higher costs to backfill for vacation and sick relief. The approved budget also funded the Deputy Chief position which has been vacant since 2017. Increased Total Wages & Benefits (Budget Line #90) of \$406,050 is offset in part by a one-time transfer of \$150,000 from Payroll Reserve Funds (Budget Line # 110).

Since 2018 the Board has been committed to properly planning for future capital expenses by transferring funds to separate reserve accounts for apparatus purchases, improve water supply, satellite fire hall remediation, and to provide a “down payment” for the New Fire Hall No. 1. Proposed 2022 Total Capital Expenses & Transfers to/from Reserve Funds (Budget Line # 111) is \$812,125 an increase of \$169,125.

In 2022, Transfer to Reserve Fund for Apparatus (Budget Line #102) increased by \$48,000 to \$258,000 which is approximately equal to the decreased debt servicing costs – the last outstanding loan matured on July 1, 2021. The District has adopted a policy of internally funding replacements of major apparatus from reserve funds set aside for that purpose.

The District is continuing to move forward with the New Fire Hall Project to replace existing facilities in the Ganges core, with plans made to go to referendum on the matter in 2022. To provide a meaningful down payment for the proposed New Fire Hall, the Board reduced the transfer to reserves for unspecified capital purposes (Budget Line # 104) and increased funding to the New Fire Hall reserve (Budget Line # 103). If the referendum vote to approve funding for the new Fire Hall succeeds, the New Fire Hall reserve fund appropriation would be in future be used for debt servicing.

As you have done in previous years, the District requests an advance on 2022 Tax Revenue of \$2,000,000 to be deposited to our account January 2, 2022.

Yours truly,

Andrew D. Peat
Acting Corporate Administrator
Salt Spring Island Fire Protection District

Salt Spring Island Fire Protection District

Bylaw No. 145

A Bylaw for levying taxes on the land and improvements within the
Salt Spring Island Fire Protection District for fire protection purposes.

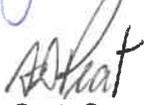
The Trustees of the Salt Spring Island Fire Protection District in open meeting assembled, ENACT AS FOLLOWS:

1. The sum of four million two hundred fifty-five thousand, (\$4,255,000.00) dollars is required by the Improvement District for fire protection purposes in the year 2022.
2. A tax at a rate determined to be necessary to raise the aforesaid sum is hereby levied for the year 2022 on all land and improvements as defined in the School Act, within the Improvement District in accordance with section 711 of the Local Government Act.
3. The said taxes shall be due and payable as provided in the Taxation (Rural Area) Act and if delinquent shall bear interest at the rate set out under the Taxation (Rural Area) Act until paid or recovered.
4. This bylaw may be cited as the "Fire Protection Taxation Bylaw 2022".

INTRODUCED and given first reading by the Trustees on 20th day of September 2021.

RECONSIDERED and finally passed by the Trustees on the 18th day of October 2021.


Per Svendsen, Chair of the Trustees


Andrew Peat, Corporate Administrator for the Trustees

I hereby certify under the seal of the Salt Spring island fire Protection District that this a true copy of Bylaw No. 145.


Andrew Peat, Corporate Administrator for the Trustees.



Our Department has 46 volunteers who are key members of our fire team.



The Ganges fire hall is showing signs of age and is in need of replacement

Contact us for more information

Andrew Peat
ACTING CORPORATE ADMINISTRATOR

apeat@saltspringfire.com

Jamie Holmes
ACTING FIRE CHIEF

jholmes@saltspringfire.com
Tel: 250-537-2531

Trustee Members
email: trustees@saltspringfire.com
www.saltspringfire.com

Fire Hall Replacement Project

The Board of Trustees is working to replace our 1960's downtown fire hall. The old building has a major leak in the roof. It would not survive an earthquake and is inadequate to store equipment and apparatus.

We have asked for advice from leading citizens over the last year. They have given us valuable advice to shape a proposal for a new fire hall. We expect to bring a proposal to the community for a referendum decision.

We thank everyone who has contributed.



2022 DRAFT BUDGET



A responsive, sustainable and competent fire rescue service, meeting community needs and valued by those we serve.

www.saltspringfire.com

www.saltspringfire.com

www.saltspringfire.com

Message From Our Trustees

The Board of Trustees of the Fire Protection District has completed its proposed draft budget for 2022. It is now offering an opportunity for public comment and input before the 2022 budget is approved. The changes of greatest general interest are summarized below. A more detailed five-page summary of individual line-item changes is available on request and will be posted on the SSI Fire Protection website for the Town Hall Meeting to be called to discuss the 2022 Budget.

1. The proposed tax requisition to provide both fire protection and the other services provided (accident response, fire prevention education, etc.) is \$4,255,000. This requires a \$424,850 increase over 2021 levies. Fire protection property taxes would increase by 9.1% over 2021. For the median assessed valued Salt Spring property (\$633,000), that would mean an increase of \$47.56.
2. Of the total budget increase for 2022, over half is for Wages and Benefits mandated by the binding 2020 Interest Arbitration award. This same ruling introduced 24/7 staffing of the Fire Hall. That led to a fire engine being at Windsor Plywood just two minutes after a middle of the night call was received, greatly limiting the reach of that fire. Similarly, the response to the potentially disastrous Mineral Springs fire had a speedy response, also facilitated by the new 24/7 staffing practice. Property and lives may well have been saved.
3. Another major contributor to the proposed increase in the 2022 budget is the additional \$149,125 transferred to Reserve Accounts. The Fire Board has for some years adopted a policy of building up reserve funds in advance of the year that new equipment must be purchased to maintain Superior Tanker Shuttle Service accreditation and Fire Underwriters Survey (FUS) grading. Meeting those standards reduces the amount every Salt



SSIFR responded within two minutes of the alarm call for the Windsor Plywood Fire.

Spring resident has to pay each year for fire insurance. "Saving up in advance" eliminates the need to borrow to replace equipment.

4. A similar approach is being followed as regards the funding for the proposed SSI Emergency Service Centre near Brinkworthy of which our long needed new Fire Hall will be a part. Taxpayer approval of that project will still be requested by referendum, most likely next spring. We have set aside \$500,000 as a reserve fund contribution. It is roughly equal to our anticipated mortgage service costs.

5. Having sufficient water for a major fire event is critical. This dry year has underscored this point. We have set aside \$50,000 to improve island water supply.

We believe our proposed SSI Fire Rescue budget continues to provide and, indeed, improves the level of fire protection our community so sorely needs during this current period of ever more frequent heat waves and forest fires. Your elected Board of Trustees also believe that this improved level of protection is being provided in as cost efficient a manner as possible. That said, we are still open both to questions and to suggestions all of which we promise will be carefully considered before Fire Rescue's 2022 budget is finalized.

What are the Major Costs in the Proposed Budget?

Income	
Interest General	\$6,750 (-\$5,250)
Miscellaneous Income	\$5,000 (unchanged)
Tax Revenue	\$4,255,000 (+\$424,850)
Total Operating Fund Revenue	\$4,266,750 (+\$419,600)
Operating Expenses	
Administration Expenses	\$147,500 (+\$1,800)
Operating Expenses	\$395,000 (+\$2,500)
Trustee Expenses	\$99,500 (-\$110,000)
Wages & Stipends	\$2,114,750 (+\$266,700)
Statutory & Group Benefits	\$652,750 (+\$139,350)
Contingency Reserve	\$45,000 (-\$55,000)
Total Operating Expenses	\$3,454,500 (+\$245,350)
Surplus before Capital Expenses & Tsfs	\$812,250 (+\$174,250)
Capital Expenses & Transfers to/from Reserves	
SCBA Lease Payment	\$62,125 (-\$3,375)
Small Capital	\$30,000 (-\$25,000)
Major Capital (Water Supply)	\$50,000 (unchanged)
Transfer to Reserves (Apparatus)	\$258,000 (+\$48,000)
Transfer to Reserves (New Fire Hall)	\$500,000 (+\$345,000)
Transfer to Reserves (Unspecified)	\$25,000 (-\$215,000)
Transfer to Reserves (Halls 2,3)	\$50,000 (unchanged)
Capital Expenses & Tsfs. to Reserves	\$977,125 (+\$149,625)
Transfer from Reserves (New Fire Hall)	\$-15,000 (-\$125,000)
Transfer from Reserves (Payroll)	\$-150,000 (+\$150,000)
Transfer from Reserves (Pagets)	\$0 (-\$44,500)
Transfers from Reserves	\$-165,000 (-\$19,500)
Total Capital & Tsfs. to/from Reserves	\$812,125 (+\$169,125)
Surplus /Deficit	\$125 (+\$5,215)

Stall
Report
13 Sep 2021

SALT SPRING ISLAND FIRE PROTECTION DISTRICT

STAFF REPORT

DATE: September 13, 2021
SUBJECT: RECOMMENDED 2022 Operating Budget
FROM: Andrew Peat, CAO

The Board of Trustees will give first reading of the 2022 Taxation Bylaw at the September 20, 2021 meeting. Trustees are asking for public advice and comment before approval of the 2022 Operating Fund Budget and final reading of Bylaw No. 145, "Fire Protection Taxation Bylaw 2022".

The proposed tax requisition in 2022 is \$4,255,000 – a \$424,850 (+11.09%) increase over 2021 levies. In 2022 there are no outstanding loans for apparatus purchases so, total property taxes (Operating + debt servicing combined) would increase by 9.10% over 2021.

For the median valued property (2021 Total Assessed Value \$633,000) property taxes for fire protection purposes would increase \$47.56.

For residential property owners who do not pay Ganges Sewer parcel taxes and service levies, the cost for fire protection services in 2021 was 16.58% of total property taxes.

What are the major costs in the Proposed 2022 Operating Budget?

Income	
Interest General	\$ 6,750 (-\$5,250)
Miscellaneous Income	\$ 5,000 (unchanged)
Tax Revenue	\$4,255,000 (+\$424,850)
Total Operating Fund Revenue	\$4,266,750 (+\$419,600)
Operating Expenses	
Administration Expenses	\$ 147,500 (+\$1,800)
Operating Expenses	\$ 395,000 (+\$2,500)
Trustee Expenses	\$ 99,500 (-\$110,000)
Wages & Stipends	\$2,114,750 (+\$266,700)
Statutory & Group Benefits	\$ 652,750 (+\$139,350)
Contingency Reserve	\$ 45,000 (-\$55,000)
Total Operating Expenses	\$3,454,500 (+\$245,350)
Surplus before Capital Expenses & Tsfs.	\$ 812,250 (+\$174,250)
Capital Expenses & Transfers to/from Reserves	
SCBA Lease Payment	\$ 62,125 (-\$3,375)
Small Capital	\$ 30,000 (-\$25,000)
Major Capital (Water Supply)	\$ 50,000 (unchanged)
Transfer to Reserves (Apparatus)	\$ 258,000 (+\$48,000)

Transfer to Reserves (New Fire Hall)	\$ 500,000 (+\$345,000)
Transfer to Reserves (Unspecified)	\$ 25,000 (-\$215,000)
Transfer to Reserves (Halls 2,3)	\$ 50,000 (unchanged)
Capital Expenses & Tsfs. to Reserves	\$ 977,125 (+\$149,625)
Transfer from Reserves (New Fire Hall)	\$ -15,000 (-\$125,000) to cover Project Soft Costs
Transfer from Reserves (Payroll)	\$ -150,000 (+\$150,000) New
Transfer from Reserves (Paggers)	\$ 0 (-\$44,500)
Transfers from Reserves	\$ -165,000 (-\$19,500)
Total Capital & Tsfs. to/from Reserves	\$ 812,125 (+\$169,125)
Surplus /Deficit	\$ 125 (+\$5,215)

2022 budgeted **Administration Expenses** are \$147,500 – an increase of \$1,800 (+1.24%) over 2021. Increased “Audit & Related Fees” and “Licences, Leases & Rentals” largely offset reduced “Technical Support”. Actual Fiscal Year 2020 Administration Expenses (\$122,928) under budget \$26,072 because of lower Insurance and Technical Support expenses.

2022 budgeted **Operating Expenses** are \$395,000 – an increase of \$2,500 (0.64%) over 2021. Actual Fiscal Year 2020 Operating Expenses (\$293,031) under budget \$115,219 because of lower Training – Paid-on-call and Career (curtailed because of the COVID-19 pandemic) and Vehicle Operating (no major apparatus repairs).

2022 budget **Trustee Expenses** are \$99,500 – a decrease of \$110,000 (-52.61%) from 2021 because of lower New Fire Hall Project related costs. Actual fiscal Year 2020 Trustee Expenses (\$280,716) over budget by \$15,216 – savings on New Fire Hall Project offset by higher Legal and Labour Relations expenses (IAFF contract settled by arbitration). Trustees expect to receive the Project Manager’s Final Report on the feasibility of the New Fire Hall Project late in 2021 with a possible referendum vote to approve borrowings in spring 2021. **NOTE**, in the budget, New Fire Hall Project expenses are offset by a transfer FROM the New Fire Hall Reserve Fund.

Why are Wages and Benefits increasing so much?

2022 budget for **Total Wages** is \$2,114,750 – an increase of \$266,700 (+14.43%) from 2021. The 2021 Budget was prepared without knowing the details of the 2020 Interest Arbitration made by Arbitrator Ms. Judi Korbin. The award set wage rates at 100% of comparable CRD municipalities (previously 102% of District of Saanich), increased the average work week for the suppression branch (35 to 42 hour/week), and allowed the Fire Department to transition in 2021 to a 24/7 staffing model, eliminating the need for the evening Standby Duty Shift. Savings are more than offset by mandated officer promotions, new hires, and higher costs to backfill for vacation and sick relief - IAFF members are exercising their right of refusal to backfill shifts at overtime, work

that was previously done by paid-on-call members. Since, 2017, the Deputy Chief position has not been funded in the approved budget and with the uncertainties surrounding the status of the incumbent Fire Chief, the proposed 2022 budget funds both the Fire Chief and Deputy Chief positions. A cost-of-living wage increase is budgeted for career, excluded and paid-on-call members and apart from changes mandated by the Interest Arbitration award, there are no other material changes in staffing included in the proposed 2022 budget.

2022 budget for **Total Statutory and Group Benefits** is \$652,750 – an increase of +\$139,350 (+27.14%). In addition to increased numbers of staff eligible for group benefit plans and increased statutory benefits there are material increases in the costs for LTD insurance plans and employer contributions to Registered Pension Plans (overtime paid IAFF members is pensionable).

NOTE in 2020 and 2021 the Municipal Pension Plan refunded employer contributions, with interest, on earnings ruled ineligible (\$269,359). These were transferred to a Wages & Benefits Reserve Fund. The recommended 2022 Budget includes a one-time transfer from this Reserve Fund to reduce the 2022 Tax Requisition.

Why is the Board proposing to continue large transfers to Reserve Funds for Apparatus Replacement, Equipment and Fire Halls?

In 2018, staff and Board committees discussed the need for the District to properly plan future capital asset expenditures. **Ideally, good asset management and sustainable service delivery means there will be no unfunded liabilities foisted on future property owners.**

Since then, successive budgets have transferred funds to separate Reserve accounts for apparatus, to improve water supply for fire flows, general capital purchases, remediation of Fire Halls, and a down payment for the new Fire Hall No. 1 at Brinkworthy. As of August 31st 2021 the balance in all reserve funds was \$1,594,622 plus accrued interest.

The recommended 2022 Budget proposes transfers to reserves from operating funds (general tax revenue) of \$977,125, an increase of \$149,625 from 2021. The transfer to the General Capital Purposes Reserve Fund (New Fire Hall Reserve) is \$500,000. Unspent balances in the New Fire Hall fund could be used as a “down payment” reducing future borrowings. The New Fire Hall appropriation would in the future be used for debt servicing. At a 3.5% interest rate and 20-year loan amortization, total payment (principal + interest) on a loan of \$100,000 is \$7,036.11/annum.

The last apparatus loan was paid in full in 2021 and the 2022 budget Transfer to the General Capital Purposes Reserve Fund (Apparatus) IS \$258,000, an increase of \$48,000 over 2021 includes prior year's loan payments plus an adjustment for inflation. Planned 2022 front line apparatus and support vehicle purchases, \$475,000 are funded from reserves.

In 2020 replacement self-contained breathing apparatus (SCBA) equipment costing \$287,524 was leased from Calidon Equipment Leasing on a 4-year term ending in 2024. At the end of the lease the District can purchase the SCBA equipment for \$1.

The recommended 2022 budget includes transfers from reserve funds to the general operating fund to cover soft costs of the New Fire Hall Project (\$15,000) and the Wages & Benefits Reserve Fund (\$150,000) to "smooth out" tax increases due to higher Wages & Benefit costs mandated by the Interest Arbitration award.

Fire Underwriters Survey (FUS) Fire Insurance Grading

The 2022 Capital Account budget continues setting aside funds (\$50,000) to augment the water supply in the Ganges core that would be available for fire protection purposes. The business district, hospital, seniors housing and schools are concentrated in the Ganges core. FUS have indicated a willingness to discuss a proposal to divide the Island into "grading zones" and obtaining a separate classification for the Ganges core area. A higher Fire Insurance Grading may mean reduced insurance premiums for fire protection coverage. The Fire Insurance Grading report is scheduled to be updated again in 2022.